



# ***JPRS Report***

## **Soviet Union**

### ***Economic Affairs***

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# Soviet Union

## Economic Affairs

JPRS-UEA-91-022

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14 MAY 1991

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## ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

### **Petrakov: Action on Pragmatic Reform Needed**

914A0682A Moscow *RABOCHAYA TRIBUNA*  
in Russian 16 Apr 91 pp 1, 2

[Interview with Academician Nikolay Petrakov, USSR people's deputy and director of the Institute of Market Problems of the USSR Academy of Sciences, by RABOCHAYA TRIBUNA political commentator Yuriy Makartsev: "Pavlov's Cabinet in the Jaws of Inflation"]

[Text] Pavlov's cabinet is in the jaws of inflation—this is what Academician Nikolay Petrakov, a USSR people's deputy and director of the Institute of Market Problems of the USSR Academy of Sciences, thinks.

[Makartsev] Nikolay Yakovlevich, our country gasped with surprise when it woke up on 2 April and found how price lists in the shops and department stores had changed: everything became approximately three to five times more expensive. Obviously, the response of the people reached your institute immediately?

[Petrakov] Of course. I was besieged by correspondents all through 2 April. In the morning, I also visited the shops of Moscow but, of course, failed to find abundance there.

[Makartsev] However, who could have thought that the cost of the "consumer basket" would go up by hundreds of rubles right away, and millions of people would automatically end up below the poverty line. The government has miscalculated something. As you see it, what was it?

[Petrakov] Pavlov is the author of price reforms: the reforms of procurement, wholesale, and retail prices. He conceived the reforms in 1987 and 1988, while still under Ryzhkov. However, as you would recall, at the time society got stirred up and stated unambiguously that it would not "digest" the version of prices proposed by Pavlov and Ryzhkov; something else had to be found. However, Pavlov rolled ahead like a steam roller in 1991, in essence changing nothing in his old approaches. One gets the impression that neither Pavlov nor his ministers are in a position to objectively perceive the information that comes to them from our society. Something actually happens, but the prime minister and his people continue to drive home a policy they thought up in their offices at some point two years ago.

[Makartsev] This is how some people reason: reform is unavoidable, it has long been knocking on both the front and back doors of our sick economy. It is better to act and even make mistakes, as Pavlov did, but not to stand idly by.

[Petrakov] The reform has been implemented amateurishly. After Valentin Sergeyevich Pavlov assumed his

post he spoke at the Automotive Plant imeni I.A. Likhachev, and this is how he reasoned: first, coal, metal, and machinery should be given to the country, and later consumer goods, that is, from his point of view, money needs to be invested where the Gosplan [State Planning Committee] and government see fit. I believe that this is nothing other than an attempt to preserve the old motivation for investment allocation. This is not market motivation. The price increase was also implemented on the old administrative pattern rather than on a market basis.

For example, the current higher price for sugar does not at all mean that sugar-beet growing will now begin to rapidly develop in our country, and at some point, say, in two to three years, we will give up buying Cuban sugar. Actually, the entire "take" from the new prices will be channeled into the turnover tax, and subsequently directly to the budget. Further on, we will hear that the money has supposedly been spent for noble causes—all kinds of social programs, aid to mothers of many children, space, and so on. Is this correct? Hardly. Prices are indicators of economic life. The market chain is as follows: high prices—high profit margins—an influx of capital for expanded reproduction, and subsequently a drop in prices. Do you remember prices ever dropping in our country? I do not remember this either.

[Makartsev] Let us assume that Pavlov is using old notes compiled when he still worked as USSR minister of finance. However, you cannot deny that he is courageous: He did shoulder the burden of this messed-up economy! What about compassion and support? Is science helping economic practice? To be sure, your Institute of Market Problems of the USSR Academy of Sciences is still in its infancy.

[Petrakov] Indeed, we are still on the "acceleration curve," and the launch pad is quite traditional for institutes created within the structure of the Academy of Sciences. Understandably, we do not have money to burn. A search for ways to switch from a nonmarket to a market economy is one of the main problems on which we would like to focus our attention. There is no such experience in the West; they have always had a market. As far as we are concerned, we have almost totally eliminated the market we once had.

[Makartsev] This is precisely what is surprising: in 1991, we ended up without a concept for switching from a nonmarket to a market economy. As we recall, you, an economic scientist well known in the country, and other "market" colleagues of yours, have fought to reorganize our planned allocation economy since the 1960's. It would appear that your time has come! Why is it that neither you personally, Nikolay Yakovlevich, nor others have been able to offer to our country an acceptable model of market reforms?

[Petrakov] How did the events develop? For many years and even decades scientists, including, for example,

Aganbegyan, Bogomolov, Tikhonov, and others, submitted many proposals for reorganizing the economy precisely with an eye toward switching to market relations. Officials "at the top" either ignored these proposals or took individual ideas from them. Certain things were implemented. However, being innovations, these "certain things" did not fit into the general logic of life, or failed to influence the overall economic situation, or brought altogether unfavorable results, of which there have been many examples, especially in recent years.

Still, as I see it, we did not stand still. The 500 Days program, in the development of which I also participated, has an important aspect which few people note. For the first time in our entire postwar history an order was placed by the state organs and the president to develop a program that would provide an alternative to the government program. I recall how they were surprised at the Council of Ministers: What other parallel program? Life has indicated that it is possible, and it may be no worse at all than the government program.

This is also seldom noted: the 500 Days program could have had a great political effect, it could have become a document of agreement between Gorbachev and Yeltsin. After all, this is the main point: accord is needed in society in order to begin moving toward a market. Why? The transition is very difficult, and the populace of the country may take an ambiguous view of many steps taken by the government. Only a government of people's confidence can carry this burden.

However, as you would recall, the 500 Days program was torpedoed and rejected, incidentally, in a very unprofessional manner. Supposedly, some people were once again trying to lead the country to capitalism, and were preparing the disintegration of the Union. These were typical political stock phrases.

[Makartsev] Do you think that politicians did the program in?

[Petrakov] Not only. I was present at a conference with the president which was held before the public release of the 500 Days program. Academician Abalkin spoke there. This was when Leonid Ivanovich put forth the "negative": this was, supposedly, a path toward capitalism and the disintegration of the Union. What is this if not a political label?!

[Makartsev] What about you personally, Nikolay Yakovlevich?

[Petrakov] I retorted at the conference: How is it, I said, that Abalkin criticizes a program which, by his own admission, he has not seen?

Five Hundred Days was also criticized for the high rate of privatizing property. We looked at the government program: the rate was even higher there.

After all, some things cannot be provided for to the last detail! The program for the economic rebirth of the country is an outline for the actions of regions and

republics; it should be carried out by people who are trusted by society. A surgeon embarking on an operation has a certain plan in his mind. However, the physician acts based on circumstances that arise in the course of the surgery itself.

[Makartsev] Not only have our lives been politicized but also our economics. Is this not the reason we keep failing to agree on how the country is to overcome the economic crisis?

[Petrakov] I am against all kinds of political definitions that end in "ism." There is only one word in this vocabulary that I respect, and that is "pragmatism." For example, when Starodubtsev spoke from the podium, he said: a kolkhoz [collective farm] member will not leave the kolkhoz. Indeed, let the people decide which property form suits them better. Our task is to create the conditions for all forms of property to have equal legal rights. If any one of them is given preference through legislation, we will fall into an ideological trap again. There will again be extremes.

I believe that an economic union is the main point at present. We may "pick on one another" endlessly as far as ideology and politics are concerned. However, a unified economic area and a unified financial system undoubtedly bind us together. Republic currencies are being created. Should we be afraid of them? I am certain that it makes no sense to ban them administratively. They will either fall apart themselves or will integrate into a general financial system.

[Makartsev] Obviously, economists in the two camps part ways primarily on different notions of reforming property and on the depth to which privatization will penetrate the sphere of large state enterprises. They maintain that a market economy means the full and unconditional victory of private property.

[Petrakov] This is how I would put it: there cannot be a market without competition. Naturally, competition develops on the basis of private property. However, in principle it also develops if independent producers of goods exist.

There are only two forms of property, state and private property, in Western economic science and practice. With Abalkin's help, we have proclaimed cooperative, municipal, and joint-stock property. However, joint-stock property is also private.

Is private ownership automatically superior to state property? For example, I am in favor of everyone who wishes to receive land for private use. Let us assume they have received it. Will the efficiency of agriculture increase immediately following this? I do not think so, because the countryside needs a new infrastructure, the farmers need new machinery, and agricultural production needs brokerage organizations for procuring and selling products.

We authorized cooperatives. Subsequently, we began to smother the cooperatives on the pretext that their employees get rich quick. Surviving cooperatives are trying to manufacture fewer products and sell them more expensively. This is why our economy remains monopolized; it is still giving birth to new monopolistic structures.

[Makartsev] By now, political parties have started developing programs for overcoming the crisis in the country. They may be created and selected ad infinitum.

[Petrakov] A special program for actions to stabilize the economy is now needed. Let us revisit the price situation. This is how the issue is raised: Supposedly, the tragedy of our economy is in the fact that we have allowed a barbaric discrepancy between the money supply and the production of goods. I do not even blame Pavlov for this, despite the fact that he, as minister of finance, was precisely the one to have tons of money printed. The trouble is that Pavlov is trying to get rid of excess money by, as the people put it, putting the cart before the horse. The prime minister increased prices without setting market mechanisms in motion in the process. But the best way to soak up the money supply is to increase the production of goods. Given our current difficulties, there are other ways. In particular, Shmelev has proposed to take out sizable merchandise loans, Aganbegyan has proposed to build garages, and I for one have proposed that the advantages of socialism be utilized.

Which ones? We have not offered a tremendous pool of assets for sale and acquisition—land, apartments, shares. Let us invest funds and quickly set up the production of construction materials, cement, and roofing materials. Instead of this, Pavlov started confiscating money from the populace in a predatory manner. Indeed, I regard the latest price increase as an ill-conceived blow to the vital interests of the people.

[Makartsev] Could it be, Nikolay Yakovlevich, that the cabinet still has some moves “up its sleeve” which will ease the burden of the reform for the populace?

[Petrakov] It appears to me that the Pavlov cabinet will not last long if for no other reason than because it runs the risk of being crushed by an outbreak of inflation as if by a vise. Of course, the market will not offset what the cabinet has undertaken from the point of view of increasing prices. Pavlov will be forced to return to the budget billions of rubles wasted for compensation, either through a system of contract prices or by reducing the sale of goods through trade outlets and giving them to cooperatives. Otherwise, he will have to increase prices yet again. I am sure that the inflationary race will force the working people to start fighting for wage increases. After all, compensation offered to the people is a joke.

[Makartsev] Can inflationary processes be stopped?

[Petrakov] Of course they can. I believe that to this end the government should acquire a status independent of

the military-industrial complex. Look at the number of people from the military-industrial complex in the Cabinet of Ministers. These ministers lay claim to investments. The funds are being thoughtlessly given to industry, despite the fact that the same monies (or a segment of them) could be quickly turned into consumer goods.

Without support from the people, this government is also not in a position to counteract populism. Deputies who wish to curry favor with the voters demand that wages for various categories of the working people be increased, and they vote for new social programs. Pavlov will make concessions to them. However, if he headed a government of popular confidence, he could say: Comrades, I do not have a single ruble, tighten your belts! Apparently, this is what he is trying to say now. I am sure that Pavlov will make a concession in one week.

[Makartsev] Such is the position of the opponents of the government. What does the Cabinet of Ministers propose? Read about it in the next issue of RABOCHAYA TRIBUNA.

#### **Gosbank Spokesman Dispels Further Currency Recall Rumor**

*OW2904084491 Moscow Central Television First Program and Orbita Networks in Russian 1900 GMT 11 Apr 91*

[Interview with Yu. A. Balagurov, chief of the currency circulation department of the USSR Gosbank, by correspondent S. Feoktistov; from the “Utro 120 + 30” program]

[Text] At present, people often do not believe anything, and yet at the same time, believe everything. True information is received with distrust, but rumors sometimes turn into undisputable truths. Namely, rumors took our correspondent to the USSR Gosbank [State Bank]. [Video cuts to show Feoktistov interviewing Balagurov in an office]

[Begin recording] [Feoktistov] Yuriy Alekseyevich, this is not the first time that we have invited you to clarify a currency circulation situation in our country. On this occasion, the necessity has arisen because of spreading rumors that possibly soon, the 25-ruble note will follow the fate of the 100- and the 50-ruble note; in other words, there will be an exchange. Moreover, we have information—Nizhniy Novgorod Oblast people's deputies are reporting this—that a number of shops already are not accepting the 25-ruble note. What can you tell us about this?

[Balagurov] Well, I can say that the number of regions where these rumors appear from time to time and circulate has increased since 25 January, with the addition of the Povolzhye region, and some other oblasts of the Russian Federation. I can say only one thing: these rumors are completely groundless and unfounded. Gosbank reiterates that no repeat of the compulsory

exchange of any kind of note—25-ruble, 10-ruble, 5, 3, and others—will be carried out. As I have said before, this also concerns small change.

Rumors that we are getting ready to exchange the 50- and 100-ruble notes that have just been introduced are quite absurd. This operation would be completely senseless and it would contribute nothing. It would only waste the state's money and worry people. Besides, these rumors are not harmless in themselves. First, they make people nervous. In addition, they can provoke a change crisis, that is if the population accumulates small value notes, stores will not have the means to make change. We have to draw to the attention of all workers involved in accepting cash from people—this concerns trade and service organizations and others—that if they refuse to accept notes, let us say for example the 25-ruble note, they are committing, at the very least, a crime of office. I will not develop this thought any further. Let the lawyers interpret it further. [End recording]

### **Economic Problems Blamed on Preference of 'Guns' to 'Butter'**

91P50175A Moscow LITERATURNAYA GAZETA  
in Russian No 13, 3 Apr 91 p 5

[Article by Doctor of Economic Sciences, Professor Viktor Belkin: "Butter is Expensive Because Bullets are Cheap"]

[Text] The unpopular action has occurred—an unprecedented increase in the price of goods and services. In spite of recent assertions, compensation is insufficient, especially for workers. The total increase of prices is three times more than the aggregate wage supplements. Consequently, the standard of living is dropping, although it would seem that there is nowhere lower to go—we hold 77th place in the world. We are moving now into three digits, close to shutting down. Now 90 percent of the country's population lives below the poverty line, as determined by international criteria.

The official increase of prices was for good reasons. For the near term, stabilization of the consumer market, and for the future, transition to a market economy. To stabilize the market even with the help of balanced prices is possible only for a short time. The main thing is to build of the mass of commodities, both by our own production, and with imports. Otherwise, the shelves will quickly become empty once again. One can only be concerned about domestic production—it is falling. But Prime Minister Pavlov does not promise us anything better and proposes for the future that we "tighten our belts" in order to put money into the base sectors, and to restore the half-destroyed railroads, the decrepit equipment, and so forth. It is no better with imports. There is little hard currency, and the hopes for receiving credits have greatly decreased, especially since that same Pavlov made fantastic accusations against Western bankers.

Now regarding the long range strategic goals of the price increase, which is being discussed in the context of their

liberalization, and as an indispensable component of the transition to a market economy. But prices are far from everything here; privatization and demonopolization are necessary. Without this there will be no entrepreneurship, no competition between independent producers of goods. That way, price liberalization will guard itself against hyperstagflation.

Why is a market infrastructure being constructed so listlessly?

Our poverty and lack of a market have one and the same general cause—the hypertrophied militarization of the country. Many people, even USSR President Mikhail Gorbachev, have said that our economy is the most militarized in the world. But what is the true scale of this phenomenon? The most reliable, in my view, Institute for Economic Forecasting under the USSR Academy of Sciences carried out the corresponding calculations. It turns out that our prices for military equipment are 1/6 to 1/9 of the world level. Therefore, the R30 billion expenses declared annually as the arms budget is really a minimum of R200 billion (even given the ruble's parity with the dollar). Consequently, with the addition of other military expenditures the general sum comprises R300 billion, which is one third of the net national product [VNP] (!). Correspondingly less goes for personal consumption. Its share is much lower than in the United States: 44 percent of the net national product in comparison with 68 percent. If you take into account that the USSR's VNP is one-seventh that of the U.S., then the calculations done by the International Monetary Fund and other authoritative world financial organizations that put the corresponding living standards of the U.S. and the USSR as 1:10, are hardly underestimated.

Not speaking about other things, even our domestic military economists consider the maximum acceptable limit of the USSR's military expenditures to be a tenth of the VNP. A normally functioning economy is simply impossible given anything higher. What kind of transition is there to a market economy! Therefore, without decisive demilitarization, without a one-third cut in military expenditures, price reform will be useless.

The existing program of conversion of the VPK [military-industrial complex] and military reform does not call for such demilitarization. Here the formula of the American economist Igor Birman is more appropriate: stop the mass production of weapons, of which there is a great deal, but maintain the former salaries of the VPK workers. As a result, even without cutting new projects, it is possible to free huge material and even financial resources, since only one-fifth of the cost of military production goes for paying salaries. Half of the economized resources will be sufficient for conversion, as well as for the creation of new work places and monetary compensation, connected with reducing the size of the army.

### Changing Nature of Economic Crimes Examined

914A0658A Moscow PRAVITELSTVENNY VESTNIK  
in Russian No 14, Apr 91 pp 6-7

[Article by A. Larkov, sector chief, and T. Krivenko and E. Kuranova, senior scientific associates, all at the USSR Procuracy Scientific Institute: "The Market Economy"]

[Text] The new economic relations have given birth to new kinds of crime. Today it is hardly worthwhile discussing whether this is a feature inherent only in our society or whether any state experiences such difficulties during a transition period. It is much more important to understand that the new kinds of economic violations of the law deserve the most unremitting attention right now, today. It is dangerous not to notice them. While we wait for a more civilized kind of commerce in the future, we cannot close our eyes to the truly preposterous forms of business that have already emerged.

Essentially, the radical transformations are only just beginning: denationalization and privatization of property is taking place, a law on small enterprises has been passed, commercial banks have appeared, along with commodity and raw materials exchanges, wholesale markets, and trading houses, and a stock exchange and securities market will soon be created. The criminal world is reacting immediately to any innovation, taking advantage of the imperfections in the new laws, and is succeeding in making fortunes here. The legislature is tardy in introducing the necessary restraints in legislative enactments and, alas, is also tardy in closing off the road to illegal gains. Numerous observations made during a study by workers of law enforcement agencies provide justification for this conclusion. Typically, most of the new dealers want to get rich at any price and to quickly produce colossal incomes; they give no thought to the interests of the country or to the difficulties of the transitional period.

They say that anything new is something old that was well forgotten. Alas, the type of economic criminal now coming into being cannot be compared to the person operating in the shadow economy, or to the cherished administrative-planning system either in terms of scale of operation or in terms of sophistication of methods. So what do we mean by these new kinds of crime? First of all it is necessary to point out machinations in the credit-and-banking sphere, the creation of false companies, the conversion of cashless state assets into cash and their misappropriation, mergers of cooperatives and state enterprises, various kinds of violations in the activities of joint-venture enterprises which post hard currency as losses, squandering of the national wealth, export of raw materials in short supply, and concealment for the purpose of tax evasion. There is economic sabotage and industrial smuggling. Encroachment on the security of information stored in automated systems has turned out to be quite a marvel.

But it is an ill wind that blows no good. In the interests of fairness it should be pointed out that in parallel with

these processes, the crimes traditional for the Soviet economy, such as commercial brokering and private entrepreneurial activities, are withering away. It is obvious that embezzlement by officials will soon disappear in privatized enterprises.

Crimes in the economic sphere are also undergoing quantitative changes. According to figures from the USSR Ministry of Internal Affairs, recorded crime for the entire country is up 4.2 percent. For particular regions this increase is even more significant. In Moscow the figure is 24.1 percent, in Turkmenia 13.4 percent, in Tajikistan 10.5 percent, in Moldova 10.2 percent, in the Ukraine 8.7 percent, in Belorussia 6.4 percent, and in Uzbekistan six percent.

We see that Moscow is in the lead. In the capital the number of embezzlements of particularly large amounts has risen sharply, speculation and bribery have flourished, and there are many violations of the rules of trade. Last year in Moscow the total amount of material loss from embezzlement rose from 1.2 million rubles [R] to R33.6 million, and dangerous, organized criminal groups associated with corrupt officials were discovered. Over the past two years the number of people convicted for embezzlement has been halved; the number of those convicted for account padding has declined by a factor of five, and for abuse of official position and negligence by a factor of three. And all of this occurred against a backdrop, there for all to see, of the unprecedented scope of large-scale speculation and other forms of crime.

Workers in both state and commercial banks are committing significantly more crimes for mercenary motives than before. Why is this? The banks have started to play a more active role. They now manage current accounts for cooperatives and joint-venture enterprises and arrange contracts for credit and repayments and set the size of loans, and the banks also deal with information about the material status of clients, and they pay out money and monitor it to insure that it is spent properly. Individual bank workers take advantage of all this to commit abuses for mercenary motives, first and foremost to obtain bribes.

A significant proportion of abuses for mercenary motives is accounted for by the cooperatives, in which embezzlement, bribery, and other mercenary crimes, from failure to pay back bank loans to pumping enormous sums of money out of state enterprises and also concealing income to avoid tax, are rife. In Russia alone the damage done by cooperative activity has amounted to more than R150 million. The emptying of the store shelves can also be added to the negative consequences stemming from their activity. Thus, according to figures from the banking organs, in one year people from cooperatives in the Russian Soviet Federated Socialist Republic [RSFSR] removed from retail trade goods to the value of R3 billion. One embezzlement in three committed in the cooperatives is classified as large or particularly large. It should be noted here that the sums that make up embezzlement on a particularly large scale

today cannot be compared with sums in past years; they are tens and sometimes hundreds of times larger. The people in cooperatives are making particularly large profits from machinations with computers.

The abuses committed by workers in joint-venture enterprises are in many ways similar to those in cooperatives. But one particular danger from their commercial actions is connected with the movement of the country's natural resources into the international arena and the squandering of hard currency. A trend has recently been noticed in which joint-venture enterprises grow by transforming themselves into cooperatives. This means that we can expect an increase in crime specific to joint-venture enterprises, but on scales commensurate with cooperatives.

Thus, from the above it is clear to readers that in most cases the new abuses are associated with activity of the cooperatives, the joint-venture enterprises, and the banking institutions. So let us consider the specific facts more carefully in that sequence.

### A Dangerous Turn

Most cooperatives provide services not for citizens, which was what was intended, but for state enterprises. In Russia, for example, almost 85 out of every 100 cooperatives operate at state enterprises. Moreover, planning and design, startup, and scientific research cooperatives engaged in work on program packages are springing up like mushrooms after a rain... And they appear mainly at organizations and enterprises. It must be admitted that the cooperatives are successfully taking advantage of the errors of the legislator, who has failed to make provision for measures that would encourage activity related to providing services. A different tax level, for example, depending on the kind of work done, could act as this kind of regulator.

In addition to economic distortion, the alliance of the cooperatives and the state enterprises is engendering a whole range of abuses and violations of the law, resulting in colossal losses for the state treasury. The cooperatives' production activity is complicated by shortages of all kinds, from raw materials to up-to-date technological equipment. It is extremely difficult to make a solid profit under such conditions. And so, instead of providing services and products for citizens, the people in the cooperatives have reoriented their activity to fulfilling enterprise plan tasks.

Here the cooperatives may enjoy the use of premises and equipment and sometimes even raw materials (very cheaply or at wholesale prices) to produce additional output—naturally after plan targets have been met. It would seem that there is nothing bad in that—the output would be produced would it not?! But the resourceful businessmen set prices for “their own” output that are many times higher than state prices, and thus make colossal profits. And the consumers—the state enterprises—are forced to pay different prices for the same

output. Naturally this affects the price of the finished output; it increases even though quality and labor costs remain the same.

It should be noted that the cooperatives set prices for goods and services regardless of quality, novelty, originality of execution, packaging, fashion trends, or consumer qualities. The main criterion is demand right now, and the absence of competitors. Last year the USSR State Committee on Prices Main Administration for Price Monitoring checked the correctness of the prices set for products and services in more than 11,000 cooperatives. In one-third of them unjustified price increases were found. Illegally made profit was about R27 million.

Sometimes high prices are set for very poor quality products. Here is a very good case in point. The Vera cooperative, which procures and processes secondary raw materials, was set up under the USSR State Committee for Material and Technical Supply Main Territorial Administration for Leningrad. In fact the cooperative had nothing to do with procurement of secondary raw materials and the manufacture of consumer goods from them, but was producing... oakum, which was not even according to the State Standard. It was the conclusion of an investigation by experts that the “oakum” was not oakum at all, but production waste. But this did not prevent the cooperative from enriching itself and—the main concern—by selling the product at fabulous prices.

Interference by cooperatives in the distribution of output produced at state enterprises complicates delivery discipline even more, and sometimes leads to disruption of state plans. Since they want to acquire goods in short supply in order to make an easy profit when they sell them, cooperatives act as middlemen and exchange them for articles and raw materials from other producers. As a result, a “black market” is formed in which managers at state enterprises play no small part. Examples of this are not isolated.

The Kontakt cooperative from Mariupol set up a deal with a Murmansk fish combine: In exchange for the fish it offered the combine 120 tons of sheet iron, 180 tons of rolled metal products, and 70 tons of facing tile purchased from enterprises in Mariupol. Naturally, those who were supposed to receive the fish and the materials according to the plan, did not receive them.

There is still another kind of violation of the law, namely, embezzlement achieved thanks to cashless transfers from enterprises converted into bank notes by individual members of cooperatives. Thus, a fictitious agreement was concluded between a radio plant and the Povorot cooperative: the cooperative supposedly was to provide software for a computer work station. For these services the plant transferred R40,000 to Povorot. Naturally no programs were written in exchange for the money paid to the cooperative's account. The plant “rushed through” a similar deal with another cooperative. This time about R80,000 were taken from the

cooperative's account and embezzled, while much less—R1,070—was paid to the plant workers. Probably as a bonus for their inventiveness.

Alas, the machinations with the conversion of cashless state funds into cash with the help of the cooperatives has turned out to be so simple and so profitable that it has become very widespread. The whole thing has become absurd: smart dealers have set up special "companies" just for that purpose—making money. In Tomsk, for example, four entrepreneurs set up a cooperative and made offers to managers at plants and establishments and in public organizations to convert their cashless assets as a kind of service. The dealers took the sums thus transferred, paid some of it to the bank worker, as encouragement, and pocketed 15 to 20 percent of the amount involved, while the rest was returned to the managers, but now in the form of cash.

The enormous scales of such abuses have even forced an amendment to the law on cooperatives in the USSR. Banks are now forbidden to issue cash to cooperatives in unrestricted amounts. This measure will undoubtedly limit the possibilities of these machinations. However, we should not forget the enterprising nature of the cooperative people, or the flexibility of particular bank workers.

#### Who Needs This Kind of Help?

Numerous abuses have also been found in the activity of joint-venture enterprises, whose numbers are growing steadily. The joint-venture enterprises are causing special damage through the leakage of hard currency and the export of valuable raw materials, which are often sold at throwaway prices.

A USSR Council of Ministers decree provides that such enterprises do not have any right to export products that they have not themselves produced. It is forbidden to act as middlemen. Notwithstanding, practice shows that this resolution is being violated. Abuses start with the issuance of the certificate of registration of joint-venture enterprises as one participating in foreign economic relations. Among the products that can be exported the documents also show products that the enterprises do not produce. Thus, the registration card of one joint-venture enterprise mentioned plastic construction parts and toys as authorized for export. But in fact the enterprise itself was helping factories manufacture consumer goods. The question is: Who needs this kind of help?

In another joint-venture enterprise the list of goods for export showed furniture, construction parts made from ferrous metals, and lumber. According to the by-laws the enterprise was supposed to automate production processes, develop new equipment, and even do startup and adjustment work.

Workers at joint-venture enterprises also resort to direct forgery in documents in order to export raw materials from the country. When it was sending nonferrous

metals to a partner overseas, the Delan joint-venture enterprise declared that it was not nonferrous metal but materials whose export had been authorized. It was only thanks to the vigilance of the customs that the operation was discovered.

Sometimes smart dealers from joint-venture enterprise take advantage of the imperfections in technical conditions and the insufficiently strict provisions of state standards to export strategic raw materials, and they lie to the customs organs, saying that they are exporting raw materials that are supposedly of little value.

One widespread abuse in this foreign economic activity is transferring licenses to other legal entities despite the fact that such transfer is forbidden by law. This leads to the uncontrolled export of raw materials and products, and in enormous quantities. The Sovrybflot All-Union Foreign Trade Association, which has a general license to export fish products, transferred the right to export sea urchins to the Vodolaz ["Divers"] cooperative. As a result, Vodolaz twice exported sea urchins to Japan without documents and without customs inspection. We make bold to suggest that neither Japan nor any other country would permit this valuable marine animal to be left to the disposition of mere "divers." The transfer of licenses to other legal entities is also dangerous because it makes it possible to export cargoes without declarations or customs inspections. The documents are drawn up only after the cargo has been exported and sold.

#### The Bank—the Reliable 'Partner'

With the development of the cooperatives and joint-venture enterprises, the prestige of the bank employee has also risen. A study of practical affairs shows that bank workers are providing illegal services in exchange for bribes. As a result, colossal sums of money are being embezzled. However, situations arise in which a cooperative of a joint-venture enterprise becomes the aggrieved party with respect to leading workers in state banks who are extortionists. They often demand large sums of money for providing loans, and if they are refused they take a number of actions, even going as far as closing bank accounts.

Something of the kind occurred, for example, with the Flora cooperative in Dnepropetrovsk Oblast. Its managers refused to give a bribe of R60,000 to a section chief in the USSR Industrial Construction Bank for a loan. The sum demanded was obviously intended not just for himself. Because immediately after the extortionist was arrested, a flood of all kinds of fault-finding poured down on the cooperative from the financial organs, and the local authorities raised the issue of liquidating Flora. Further investigation showed that an organized group was operating in the Dnepropetrovsk administration of the USSR Industrial Construction Bank, a group that had engaged in extortion on more than one occasion and received bribes, including from cooperative people.



Bank workers also permit other violations, many of which are committed either out of mercenary considerations or as a result of poor skills and an irresponsible attitude toward work. Sometimes the attitude toward the client is too trustful. The smart dealers take advantage of all these things.

For example, banks are still giving loans to cooperatives even if they still owe on previous loans; this is in violation of the USSR State Bank [Gosbank] instructions: "The Organization of Loans and Accounts for Cooperatives." But the Gosbank instructions oblige the banks to refuse to grant new loans to debtors, and even give them the right to sell any material values put up as collateral.

When current accounts are opened, banks employees do not always check to insure that the cooperative is registered with the executive committee and the financial organs, or that it has a seal. Finally, they may not even show any interest in the solvency of a client.

These and other facts lead to the thought that it is high time to review the existing procedure used for granting loans. It is also necessary to establish a connection between total state credit and the assets owned by cooperative organizations or joint-venture enterprises.

And talking about new kinds of violations of the law, we must draw attention to concealment of the true size of income in declarations. According to the USSR Ministry of Finance Main State Tax Inspectorate, in nine months in 1990 a total of 47,000 cases of nonpayment of taxes were found, and fines were imposed on 30,000 people, and an additional R1.5 billion or so were paid into the budget.

Some people contrive to make an easy profit even out of philanthropy. According to the law, that part of a cooperative's income that it contributes to the Children's Fund, the Cultural Fund, the Charity and Health Foundation, or other worthy causes is tax exempt. And it is here that the real business begins.

The Molodezhnyy cooperative was set up under the Magadan Oblast Committee Komsomol to get young people to collect mushrooms and berries and catch fish, but it has concentrated its activities on something quite different. With the help of Komsomol officials the cooperative received two fishing licenses for 15 tons of salmon gratis. The excuse for obtaining this concession was the desire supposedly to give the fish to a children's institution. About 16 tons of salmon were caught using the two "children's" licenses. But not a single gram found its way to the pupils at children's homes. So where did they swim off to (forgive the pun)? Some was sold to the Novator cooperative, which resold the Siberian salmon and hunchback salmon to restaurants in Novosibirsk. In all, according to the most conservative estimates, this "act of charity" brought the dealers about R100,000. Naturally, no one paid any taxes.

Unfortunately, the limited space in a newspaper column prevents us from dwelling in detail on all the kinds of violations of the law that have been occurring recently. It remains for us only to draw attention to one trend, namely, that the new economy has also produced an increase in bribery and corruption and speculation on a particularly large scale.

### Epilogue

We repeat that the new attitudes toward property, privatization of enterprises, and the sale of housing are only just beginning, but already we can see that ahead we can expect mercenary abuses whose most serious consequences will be the transfer of state property to the hands of shadowy dealers. It is not happenstance that the process of privatization and the sale of state enterprises to ownership by citizens and citizens' collectives, and to cooperatives and joint-venture enterprises, is being accompanied by violations of the law. What is particularly alarming is the fact that the authorities dealing with the de-state-ization of enterprises are failing to take into account the opinions of the collectives, which are unambiguously declaring their reluctance to be "sold," or are ignoring the provision of the law covering the priority right of the collective itself to buy the enterprise, and failing to consider the interests of the public when it is a question of the sale of trade enterprises. We could discuss for a long time the motives lying at the basis of the unlawful decisions of officials in the soviets at various levels, but it is quite obvious that the possibility of a mercenary interest in some of them cannot be excluded.

There are also many violations and abuses when cooperatives and joint-venture enterprises are formed as a state enterprise or part of a state enterprise is swallowed up. When this occurs, more often than not the requirement of the law on the state enterprise to take into account the opinion of the labor collective on converting a state enterprise into a cooperative or joint-venture enterprise, or on apportioning part of it for inclusion in a joint-venture, or making a cooperative of particular subdivisions of it, is ignored. In short, privatization is sometimes effected by coercion. And if part of an enterprise is made into a joint-venture enterprise or cooperative, harm is frequently done to the "residue" of the state enterprise, which finds itself in fact on the verge of collapse because the main production premises and equipment are transferred, and considerable sums of money are arbitrarily transferred from the current account. And as a result, the people remaining at the state enterprise have virtually nowhere to work and nothing to do. This kind of enforced privatization occurred three months ago when the Fashion Center in Moscow became the Krasnaya Plushchad cooperative joint-venture enterprise.

The republic parliaments are now completing work on laws to regulate land reform. The sale of land will start soon, and as a consequence new abuses and other crimes will be seen, connected with the implementation of that



reform. Assessing and selling land, apportionment of tracts in use (particularly gratis), granting concessions, determining the share of each worker at a kolkhoz or sovkhoz in an indivisible enterprise fund, issuing checks for the value of the share due—these are just some of the reefs that lie in wait for us in the turbulent wake of the de-state-ization of agriculture.

The crime of cornering land and obtaining it in use through figureheads, with subsequent redemption and then re-sale when permitted, will also appear. In short, in time there will be still another very substantial object for speculation.

Our studies have revealed a number of problems that are today hampering the fight against mercenary crimes. I suggest that it makes sense to name the chief problem, and to offer some proposals. The most alarming problem is the unpreparedness of the law enforcement agencies to fight economic crime effectively under the present complex social and economic conditions. The changing state of the economy in a stage of transformation, the changeableness of its structures, the transformation of the forms of ownership and management, the emergence of new institutions—all to some degree or other are causing confusion among workers in the militia, the courts, and the procuracy. Today's economic crimes are distinguished by their numerous structural links, the ramified network of those involved, and the complexity of the methods used to make easy profits illegally. The insufficiently skilled investigations and the extremely liberal practices in the courts are leading to a situation in which many officials and smart dealers in the shadow economy are escaping liability. Thus, in the RSFSR alone, the number of cases of embezzlement detected by the organs for Combating the Embezzlement of Socialist Property and Speculation [BKHS] fell 6.1 percent in the first half of last year. The cases that the BKHS does succeed in uncovering are of little significance, and as a result only one case in three warrants the opening of a criminal case, and only one-third of these ever get to court.

Figures from Belorussia, for example, testify to the real "responsibility" for economic crimes: in 1989 some 680 officials were convicted of embezzlement, but only 38 of them were imprisoned, and only 20 were given a term of more than three years. It is our view that there are two reasons for this—either too liberal a stance assumed by the courts, or the poor quality of the evidence collected.

The unpreparedness of organs of the BKHS and the investigating organs is seen when they encounter the unprecedented scale of speculation and, particularly, abuses in the new forms of management. These are qualitatively different from the traditional scales (one embezzlement in three is done on a large or particularly large scale), with a large number of organizations and individuals involved in the criminal activity, and numerous large bribes.

The point is that workers in law enforcement agencies are today unprepared to deal with economic crime, and

they themselves confirm this when they answer the questions posed in our sociological studies.

In their opinion there are no clear-cut criteria applicable for all law enforcement agencies for delineating between what is criminal and what is not in economic activity, particularly when it is a question of greater initiative, risk taking, encouraging initiative, and the need for enterprises to be freer in the way that they dispose of material values. It is not happenstance that many practical workers are saying that there is a need to make a clear delineation between mercenary abuses, negligence and production risk, service initiative, and sense of enterprise. For they understand that violation of old instructions is often aimed at improving production and making profit for an enterprise.

Literally all those polled note that the authority of the law enforcement agencies has been declining recently, and their prestige is falling. How do we explain this? On the one hand by the increasingly frequent statements made by the mass media, and on the other by lack of any movement in the organization or the scientific and technical equipment of the militia, procuracy, and courts. And, noting the technical backwardness of the law enforcement agencies, very many of them are saying that the odds are greatly in favor of the organized groups of criminals, which are increasing in number. And as a rule, those polled link the well-known troubles of the law enforcement system with the inadequate attention paid to it by the highest organs of power.

## INVESTMENT, PRICES, BUDGET, FINANCE

### Sources, Uses of Stabilization Fund Explained

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[Interview with USSR First Deputy Minister of Finance Vladimir Abramovich Rayevskiy by PRAVITELSTVENNYY VESTNIK observer Yu. Rytov: "The Stabilization Fund: Sources and Spending"]

[Text] The USSR Cabinet of Ministers has passed a resolution entitled: "On Procedure for the Formation and Use of the All-Union Off-Budget Economic Stabilization Fund for 1991." USSR First Deputy Minister of Finance V. Rayevskiy comments on the content of this document in an interview with our observer.

[Rytov] Vladimir Abramovich, first of all can you explain why it is necessary at all to have a stabilization fund, and why spending for this purpose could not be funded from the budget?

[Rayevskiy] As you know, this year has been marked by fundamentally new approaches to national economic planning and formation of the budget. These new approaches are the result of the political reforms being carried out in our country and the formation of state

sovereignty in the republics. In particular, the state plan for 1991 has been confirmed only for spheres falling within the purview of the USSR. But the national monetary fund, which was previously concentrated in a single budget for the country, has for the first time been divided between the spheres falling within the purview of the USSR and of the Union republics.

At the same time a number of the major all-Union social and economic programs that require independent funding sources under the conditions of limited budget resources, have been retained. It is to that end that the USSR Pension Fund, the State Social Security Fund, and the Economic Stabilization Fund have been set up.

The need to form off-budget funds to stabilize the economy is defined by the USSR Supreme Soviet "Main Directions in Stabilization of the National Economy and the Transition to a Market Economy." The all-Union fund is being formed on the basis of a USSR presidential ukase. This same ukase recommends that similar funds be set up by the republics.

[Rytov] Stabilization of the economy is a vast concept. It includes improvement in finances and monetary circulation, support for production and mutual deliveries, normalization of the consumer market, and strengthening the country's foreign economic position. Obviously the stabilization fund has a more narrow purpose, is this not so?

[Rayevskiy] The government has approved the: "Interim Provision on Procedure for the Formation and Use of the All-Union Off-Budget Economic Stabilization Fund for 1991," which defines the directions of and procedure for using funds for management of the Union. Here, in particular, a precise formulation is set forth for the designation of the assets in the fund: financing for centralized capital investments and scientific research work, subsidies for individual enterprises, and also support for enterprises experiencing difficulties for reasons beyond their control, covering the cost of conversion of enterprises in the military-industrial complex, and providing grants for particular Union republics to support measures to equalize economic and social development.

[Rytov] Obviously each of these positions requires additional comment...

[Rayevskiy] Financing centralized capital investments from the Economic Stabilization Fund is done within confirmed limits and according to lists of projects and construction sites.

Financing for scientific research and test-and-design work done by state organizations is done in accordance with programs defined by the USSR State Committee for Science and Technology. Limits on financing are in this case being opened for the State Committee for Science and Technology as a discretionary program, and the committee also allocates funding among organizations.

[Rytov] Everything is clear here. But we are again talking about subsidies for enterprises operating at a loss.

[Rayevskiy] Subsidies are not something that our country invented. It is simply that at one time we were overzealous and for a long time took no decisive steps to rearrange the structure of production and pricing, that is, we swept the problem under the carpet. As a result, primitive dependency became widespread. But even under the conditions of market relations there may be isolated enterprises that are receiving state subsidies. This can be seen in the experience of developed countries with market economies. The entire issue of the principles used to provide subsidies is, of course, one of priorities. A significant proportion of our enterprises will be operating this year in accordance with fixed retail prices and tariffs. In some cases they cannot cover all production costs or sell output, not to mention insuring normal production and social development. So what do we do in such cases? Increase wholesale prices and tariffs even more? But that would lead to a new spiral of retail price increases. During the transitional period we are unable to abandon subsidies completely because in most cases it is a question of enterprises in basic sectors on whose operations the viability of the entire national economic complex depends. As a rule, subsidies will be allocated on condition that measures have been devised to reduce losses stage by stage through improvements in production technology and organization and by eliminating unproductive costs and losses. In the case of low-profitability, again for objective reasons, including price factors, there should be a review of the question of financial support for spending on socioeconomic development. The list of enterprises that must be given this kind of assistance will be carefully reviewed and approved by the USSR Cabinet of Ministers.

[Rytov] What kind of procedure will there be for disbursing funds from the Stabilization Fund to cover conversion losses?

[Rayevskiy] These funds will be given to state enterprises engaged in conversion of defense-related production, for the following purposes. First, to compensate for losses in profits and to cover losses resulting from production cutbacks. Second, as compensation for additional costs associated with retraining personnel, and with payment of grants and other measures to provide social protection for the workers. Third, to cover write-offs from the close-down of production of special output, and also to support essential capacities that are mobilized.

[Rytov] Is the list of these enterprises also being approved by the USSR Cabinet of Ministers?

[Rayevskiy] Yes, when they are submitted by the State Commission for Defense and Industrial Questions. Requirements for funds to cover expenditures involved in conversion are determined by the USSR Ministry of Finance with the agreement of the USSR State Planning Committee [Gosplan] on the basis of the calculations

submitted by the enterprises. And also under one indispensable condition, namely, that a developed plan should be drawn up for conversion and reorienting production to produce civilian-related output and non-food consumer goods.

[Rytov] I think that our readers will be particularly interested in knowing about the section of the resolution dealing with subsidies for particular republics from the Economic Stabilization Fund. And this even given their state sovereignty! What in particular has prompted the need for the subsidies?

[Rayevskiy] The different starting points in the transition to market relations. The different levels of socioeconomic development. It has so come about historically that recovery of raw materials has been concentrated in some republics, while in others there has been a concentration of raw materials processing and manufacture of finished goods. But the profitability of the processing sectors is considerably higher than the extractive sectors. This means that the income part of the budgets in some republics is objectively smaller. And of course, it is necessary to take into account the differences in the social infrastructure: there are marked differences in per capita provision of housing, schools, and hospitals. This has come about historically, and this includes the above-mentioned distortions in the structures of their economies and their one-sided development.

Subsidies from the Stabilization Fund will be made available to the Union republics by decision of the Federation Council. They are intended for development of the sociocultural and everyday spheres and implementation of all-Union programs to raise the population's standard of living. If, of course, spending for these purposes is not covered by local budgets and off-budget republic assets.

[Rytov] And what are we to understand by "difficulties beyond the control of the enterprises," for which provision is also made for allocating funds from the Stabilization Fund?

[Rayevskiy] Let me give you a specific example. Everyone knows that the situation has now become complicated in our metallurgical industry. Coking batteries, furnaces, and steel-smelting equipment are being shut down or not operating at full capacity. Why is this? The main reason is last year's miners' strike, when the metalworkers did not receive the quantities of coking coal needed. Coal exports were halted in order to make up the shortages. But this alone was obviously not enough. And there is one very simple solution, namely, to sharply increase reprocessing of scrap metal. Unused resources now amount to more than 10 million tons. In turn, in order to use the scrap metal it is necessary to hastily develop a network of specialized small enterprises. In my opinion this is exactly the kind of instance in which the investments of assets from the Stabilization Fund is justified.

In other words, within the limits of the Stabilization Fund, state all-Union enterprises can be given subsidies to implement measures that are of major national economic importance if such costs cannot be covered from other sources, such as a bank loan. The list of these enterprises is confirmed by the USSR Cabinet of Ministers but the specific size of the subsidy will be determined after a competent review with the experts.

It should be borne in mind that this kind of advance can be made only on condition that it is repaid within a given period, and in particular cases also payment of interest for the use of the advance. Interest rates on loans are handled through the accounts of the receiver and are paid by the receiver into the Economic Stabilization Fund.

[Rytov] Vladimir Abramovich, we have been talking about how to spend the assets from the fund. However, another issue is just as important, namely, from what sources will it receive funding?

[Rayevskiy] Provision has been made for several main sources to form the Stabilization Fund. First of all there is the 11-percent rate in the deductions from the wages fund. How was this norm formed? The fact is that the law "On Pension Provisions for Citizens of the USSR" set rates for deductions for social security at 37 percent, and this figure was taken into account when setting the wholesale prices and tariffs that were introduced from 1 January 1991. And this year this rate has been set at 26 percent because the need for assets as the law on pensions is implemented on a stage-by-stage basis is less. The difference forms the 11 percent that also makes it possible to make a first solid contribution to the Economic Stabilization Fund.

The next major source is amortization deductions. To be more precise, 20 percent of the sum earmarked for full restoration of fixed capital.

Then there is the profit derived from higher contract prices for output (and work and services) above the maximum levels set for profitability. Apart from anything else, this measure will make it possible to hold contract prices at a reasonable level.

Finally, the main basis for the Stabilization Fund should be the assets from the redemption by labor collectives of property belonging to state enterprises. In particular, 50 percent of the residue of economic incentive funds as of 1 December last year (without harming bonus payments for year-end results) is being allocated for this purpose. In addition, the Stabilization Fund will be augmented by 20 percent of the assets derived from the redemption of property at state enterprises from other sources.

[Rytov] Economic stabilization funds are also being set up in the Union republics. How will the assets coming in be allocated?

[Rayevskiy] Contributions obtained from the 11-percent deductions, and also from above-normative profit, will

be shared equally by the all-Union and republic funds. All other payments will go in full to the all-Union fund or a republic fund depending on subordination of the payer. And if the payer does not have departmental subordination, it is divided equally between the all-Union and republic funds.

[Rytov] Your last statement must be taken to mean that contributions to the stabilization fund must be made by all enterprises regardless of form of ownership, is this not so?

[Rayevskiy] Quite correct. Naturally, in cooperatives and collective and private enterprises the base for these payments is smaller than for the state enterprises. That part of contributions connected with privatization of state property is not applied. But all other payments must be made by all economic enterprises that have an independent balance sheet and that are legal entities, including mixed enterprises. Contributions from above-normative profit must also be paid by enterprises that do not operate on a cost-accounting basis but obtain profit from the sale of output (or goods or services). And persons employing individual citizens on a contractual basis in accordance with existing legislation also make the 11-percent deduction from the wages fund.

[Rytov] So who will be exempt from making contributions to the Stabilization Fund?

[Rayevskiy] Budget institutions and organizations will be exempt from payment of the 11-percent deduction, and also enterprises at which payment of sums for state social insurance are not being made at all or being made at a lower rate.

Enterprises in the agro-industrial complex and public organizations for the disabled, and also joint-venture enterprises set up on our country's territory with the participation of Soviet and foreign legal entities and citizens will be exempt from amortization payments.

[Rytov] Who will manage the all-Union Economic Stabilization Fund?

[Rayevskiy] As I have said, the objects of funding will be determined by the USSR Government, and subsidies by the Federation Council. The USSR Ministry of Finance has been assigned to monitor the completeness and promptness of income and purposeful utilization. According to the calculations, if all the conditions of its formations are observed, the stabilization funds at all levels will be able to mobilize more than R100 billion. You realize that these are considerable assets. They should insure realization of measures to maintain stable operation of the national economic complex during the transitional period.

## REGIONAL DEVELOPMENT

### Kaliningrad Oblast To Become Free Economic Zone

91P50177A Moscow TRUD in Russian 8 May 91 p 1

[Article by G. Konchyus; "A Closed Zone Becomes Free"]

[Text] Deputies who have gathered for the Kaliningrad Oblast Soviet session have decided that a free Economic Zone (FEZ) is to exist. On the whole, they have approved the prepared documents; the Concept and Statute on the zone, the draft RSFSR Supreme Soviet Decree "On creating a free economic zone in Kaliningrad Oblast," and others. As stated in the Decree, the FEZ is created for the purpose of developing trade, economic, scientific, and technical cooperation with foreign countries and ensuring favorable conditions for the attraction of foreign capital, technology and management expertise. It is planned to establish favorable tax and customs regulations and a simplified process for carrying out export-import operations. Also, foreign and soviet enterprises are to be given equal rights. However, it will be difficult to realize these plans. Some local leaders and scholars are opposed to the FEZ idea. Their main argument is that there are dangers associated with material stratification of oblast residents. Moreover, a significant portion of the oblast territory remains closed to foreign visits.

## POLICY, ORGANIZATION

### Ukrainian Law on 1991 Budget

914A0668A Kiev PRAVDA UKRAINY in Russian  
30 Dec 90 p 1

["Law of the Ukrainian Soviet Socialist Republic on the Republic Budget of the Ukrainian SSR for 1991"]

[Text] The Supreme Soviet of the Ukrainian Soviet Socialist Republic **resolves:**

**Article 1.** To adopt the Republic Budget of the Ukrainian SSR [Soviet Socialist Republic] for 1991 in the amount of 23,055,136,000 rubles [R] on the revenue side and R27,495,005,000 on the expenditure side.

To adopt R4,439,869,000 as the maximum size of the deficit for the 1991 Ukrainian SSR Republic Budget. To establish that the expenditures of the budget are financed up to the limit of the revenues actually taken in.

**Article 2.** To include in the Ukrainian SSR 1991 Republic Budget revenues taken in from the main sources in the following amounts:

	(R1,000)
Turnover tax	10,944,094
Tax on the profits of enterprises, associations, and organizations	4,027,744
Profits from foreign economic operations	75,616
Proceeds from the monetary and merchandise lottery	30,000
Stabilization tax on enterprises, associations, and organizations (11 percent of the labor remuneration fund)	3,300,000
Turnover tax on ethyl alcohol and oil used for industrial processing	4,200,000
Contributions of 50 percent of the monies in the markdown fund of state retail trade enterprises	100,000
Other taxes, fees, and nontax proceeds	377,682

**Article 3.** To approve funding from the 1991 Republic Budget to carry out the following measures:

	[(R1,000)]
Funding for the national economy	17,517,992
out of which:	
—making up the difference in prices for agricultural products, other types of foodstuffs, and certain types of raw materials	6,710,674
—making up the difference in coal prices	6,000,000
Funding for sociocultural measures	4,969,432
out of which:	
—education and personnel training	1,735,303
—culture, art, and mass media	301,804
—health care and physical education	320,288

	[(R1,000)]
—protection of motherhood and childhood, payment of retirement benefits to individual categories of citizens, and other social-welfare measures	952,037
—wage increases for the employees of education and health care (no later than 1 July 1991)	1,600,000
Funding for research and development work	607,915
Funding for the republic organs of state power and government, courts	372,504
Funding for law-enforcement organs	458,862
Accumulation of funds	550,000
out of which:	
—reserve fund of the Ukrainian SSR Council of Ministers	500,000
—special reserve for work on the elimination of the consequences of natural calamities, accidents, and disasters	50,000

**Article 4.** Out of the total amount of funds for financing the republic organs of state power and government, to approve financing for the operation of:

	(R1,000)
Ukrainian SSR Supreme Soviet	35,053
Apparatus of the Ukrainian SSR Council of Ministers	8,905
Ukrainian SSR State Arbitration	393
Ukrainian SSR ministries and departments, and their local organs	328,153

**Article 5.** To adopt for 1991 the following rates of withholdings for the local budgets of oblasts and cities reporting to the republic:

a) of the turnover tax:

Oblast	(percent)
Vinnitsa	70
Volyn	65
Dnepropetrovsk	70
Donetsk	30
Zhitomir	70
Transcarpathia	60
Zaporozhye	35
Ivano-Frankovsk	45
Kiev	70
Kirovograd	70
Crimea	70
Lugansk	30
Lvov	30
Nikolayev	60
Odessa	35
Poltava	20

Oblast	(percent)
Rovno	70
Sumy	55
Ternopol	70
Kharkov	55
Kherson	70
Khmelnitskiy	70
Cherkassy	50
Chernovtsy	55
Chernigov	70
city of Kiev	55
city of Sevastopol	70

b) of the amount of sales of the 1982 State Internal Premium Loan bonds—50 percent

c) of the tax on the profits of enterprises reporting to the Union and the republic—13 percent of profits

**Article 6.** To establish that in 1991 the turnover tax collected in the territory of the Ukrainian SSR is contributed in full to the budget of the republic.

**Article 7.** To establish that funding for expenditures entailed by making up the difference in prices for meat and milk which are used in the oblasts and the cities of Kiev and Sevastopol in 1991 is provided from local budgets.

*[Signed] Chairman of the Ukrainian SSR Supreme Soviet  
L. Kravchuk, Kiev City, 25 December 1990*

### Ukrainian Decree on 1991 Economic, Social Development

9140668B Kiev PRAVDA UKRAINY in Russian  
30 Dec 90 p 1

["Resolution of the Ukrainian SSR Supreme Soviet on Main Directions for the Economic and Social Development of the Ukrainian SSR in 1991"]

[Text] Having considered the Main Directions for the Economic and Social Development of the Ukrainian SSR [Soviet Socialist Republic] in 1991 submitted by the Ukrainian SSR Council of Ministers, taking into account the special significance of 1991 as the initial stage of the implementation of a program for stabilizing the national economy and switching to market relations, and proceeding from the Declaration of the State Sovereignty of the Ukraine and the Ukrainian SSR Law on the Economic Independence of the Ukrainian SSR, the Supreme Soviet of the Ukrainian Soviet Socialist Republic resolves:

1. To approve the Main Directions for the Economic and Social Development of the Ukrainian SSR in 1991 submitted by the Ukrainian SSR Council of Ministers,

taking into account the remarks, proposals, and conclusions made by permanent commissions of the Ukrainian SSR Supreme Soviet.

2. To set the following most important tasks for the development of the republic economy in 1991:

—stabilization of the socioeconomic situation by means of curing finances and monetary and credit circulation, balancing the incomes and expenditures of the population, normalizing the consumer market on the basis of expanding the production of consumer goods and the provision of paid services, preserving existing economic relations between enterprises, and reinforcing contractual, financial, and labor discipline;

—gradual transition to a market economy based on the denationalization and privatization of property, implementation of a vigorous antimonopoly policy, creation of equal economic and legal conditions for the operation of various forms of property and economic operations, and development of competition and entrepreneurship;

—expansion of the sphere of utilization of regulated prices, reduction of budgetary subsidies for making up price differentials coupled with the simultaneous introduction of a reliable system of social protection for the populace, and implementation of target programs for the efficient employment of the populace;

—accelerated implementation of the State Union and Republic Program for urgent measures to eliminate the consequences of the accident at the Chernobyl AES [nuclear electric power station] in 1990 through 1992 and to improve the ecological situation in the Ukraine in its entirety;

—implementation of organizational, economic, and legal measures with a view to ensuring the preferential social development of the countryside and the agro-industrial complex of the republic.

3. Ministries, departments, and local soviets of people's deputies shall ensure increases in the physical volumes of output of all types of products as the foundation for an improvement in the material welfare of the populace of the republic.

4. To consider compliance with a unified state order set forth by the Ukrainian SSR Council of Ministers compulsory for enterprises and organizations located in the territory of the republic, regardless of their departmental affiliation and form of property.

The Ukrainian SSR State Arbitration organs shall ensure the protection of the rights of enterprises in the course of filling the unified state order of the Ukrainian SSR.

5. To ensure that the following main indicators of the economic and social development of the Ukrainian SSR are attained in 1991 by the national economy of the republic:

	(percent)
growth of the national income produced compared to 1990	101.7
use of the national income:	
for current consumption and nonproductive construction	90.1
for expanded reproduction and other purposes	9.9
growth of social labor productivity compared to 1990	102.2
growth of the output of consumer goods in industry (Group B) compared to 1990	104

6. The Ukrainian SSR Council of Ministers shall confirm the indicators of economic and social development in 1991 based on the Main Directions for the Economic and Social Development of the Ukrainian SSR, and communicate them before 15 January 1991 to the executive committees of the oblast soviets of people's deputies, the Kiev and Sevastopol City Soviets of People's Deputies, ministries and departments, interbranch state conglomerates, associations, and concerns.

7. The Ukrainian SSR Council of Ministers, the executive committees of the oblast soviets of people's deputies, and the Kiev and Sevastopol City Soviets of People's Deputies shall ensure the actual implementation of the outlined program for switching to a market economy in the Ukrainian SSR.

8. In 1991, the Ukrainian SSR Council of Ministers shall submit proposals for increasing the wages of the employees of housing stock and communal management and for new rates for water consumption, sewage, and heat supply for consideration by the Ukrainian SSR Supreme Soviet.

9. A report by the Ukrainian SSR Council of Ministers on arrangements for the social protection of the populace will be heard in January 1991 at a meeting of the Ukrainian SSR Supreme Soviet, as well as, based on the results of work in the first quarter, reports by the Ukrainian SSR State Committee for Economy and the Ukrainian SSR Ministry of Finance on the progress of the fulfillment of plans for economic and social development and the implementation of the republic budget.

[Signed] Chairman of the Ukrainian SSR Supreme Soviet  
L. Kravchuk, Kiev City, 25 December 1990

#### Decree on Implementation of Belorussian Law on Income Indexation

914A0698A Minsk SOVETSKAYA BELORUSSIYA  
in Russian 26 Dec 90 p 1

["Resolution of the Belorussian SSR Supreme Soviet on Enacting the Belorussian SSR Law: 'On Indexing the Incomes of the Population Based on Inflation'"; for text of law see: JPRS Report Soviet Union: Economic Affairs JPRS-UEA-91-016, 2 Apr 91, pp 15-17]

[Text] The Belorussian SSR [Soviet Socialist Republic] Supreme Soviet resolves:

1. To enact the Belorussian SSR Law: "On Indexing the Incomes of the Population Based on Inflation" effective 1 January 1991.

2. To confirm, effective 1 January 1991, the following sliding scale of indexation rates per one percent of the increment of consumer prices for various income segments:

—within the subsistence minimum—one percent;

—between the subsistence minimum and twice the subsistence minimum—0.8 percent;

—between twice the subsistence minimum and four times the subsistence minimum—0.5 percent.

The segment of income in excess of four times the subsistence minimum is not indexed.

3. The Belorussian SSR Council of Ministers shall:

—establish procedures for calculating the index of consumer prices in coordination with the Federation of Trade Unions of Belorussia;

—ensure, beginning in 1991, the publication of the levels of the subsistence minimum and a consumer price index, including cumulative levels, from the beginning of the year and from the time of the previous indexation;

—before 1 January 1992, establish procedures for indexing the monetary savings of the populace in coordination with the Federation of Trade Unions of Belorussia;

—establish, in the first quarter of 1991, procedures for reimbursing enterprises and organizations selling their products at state prices for indexation expenses.

[signed] N. Dementey, chairman of the Belorussian SSR Supreme Soviet, 21 December 1991, city of Minsk

#### Belorussian Law on Property

##### Text of Law

914A0667A Minsk SOVETSKAYA BELORUSSIYA  
in Russian 26 Dec 90 pp 2-3

[Text of the "Law of the Belorussian Soviet Socialist Republic: 'On Property in the Belorussian SSR'"]

[Text] The Law of the Belorussian SSR: "On Property in the Belorussian SSR" regulates the relations of property in the Belorussian SSR, establishing the range of owners, the forms of property, the foundations of the emergence of property rights, the content and objects of the right of property, and the principles of the implementation of the protection of the right of property.

The present Law is the basis for other normative acts regulating property relations in the Belorussian SSR.

## **Part I. The Right of Property**

### **Chapter 1. General Provisions**

#### **Article 1. Recognition and Protection of the Right of Property in the Belorussian SSR**

The right of property in the Belorussian SSR is recognized and protected by law.

The state guarantees equal rights, which are necessary for all forms of property, and guarantees their protection.

#### **Article 2. Content of the Right of Property**

To the owner belongs the right of possession, use, and disposal of the property.

Possession is the de facto possession of property allowed by law, use—the utilization of the useful qualities of the property, and disposal—the determination of the fate of the property.

#### **Article 3. Legal Competence of the Owner**

The legal competence of the owner regarding the possession, use and disposal of the property is realized within the limits established by the present Law and other legislative acts of the Belorussian SSR.

#### **Article 4. Emergence of the Right of Property**

The right of property emerges through labor participation in economic activity in regard to the use of property, entrepreneurial activity, the manufacture or acquisition of property as the result of a commercial transaction, the restoration of the right of property, through inheritance or another method not contradicting the laws of the Belorussian SSR.

#### **Article 5. Use by an Owner of the Labor of Citizens in the Realization of the Right of Property Belonging to Him**

The owner has the right, in the conditions and within the limits stipulated by legislative acts of the Belorussian SSR, to conclude contracts with citizens concerning the use of their labor in the realization of the right of property belonging to him.

Irrespective of the form of property, on the basis of which the labor of a citizen is used, he is guaranteed payment and working conditions, as well as other socio-economic guarantees envisaged by the existing legislation.

#### **Article 6. Realization of the Right of Property**

At his discretion, the owner possesses, uses, and disposes of the property belonging to him, and he has the right to carry out any actions with this property that do not contradict the law.

The owner may sell his property, as well as transfer it to the possession, use and disposal of other persons without selling it.

Other persons carry out the rights belonging to the owner within the limits stipulated by the law or established by the owner.

The realization of the right of property must not do damage to the environment and infringe on the rights and interests of other persons protected by law.

### **Chapter 2. Objects, Subjects of the Right of Property. Forms of Property**

#### **Article 7. Objects of the Right of Property**

The following may be owned: land, its mineral wealth, waters, air space, the plant and animal world, buildings, installations, equipment, objects of material and spiritual culture, the results of intellectual labor, information, money, securities, mobile and immobile property.

#### **Article 8. The Belonging of the Results of the Use of Property to the Owner**

The results of the use of property belong to the owner of this property, if no other provisions are made by law or by a contract.

#### **Article 9. Subjects of the Right of Property. Forms of Property**

The subjects of the right of property in the Belorussian SSR are physical and juridical persons, and the state.

Property in the Belorussian SSR appears in the form of private property, collective and state property.

In the Belorussian SSR there may exist the property of other states, their juridical and physical persons, as well as the property of international organizations.

The combination of property being owned by physical and juridical persons and states, and the formation, on this basis, of mixed forms of property, including the property of joint enterprises, is allowed.

Property may belong in the law of common (share or combined) property simultaneously to several persons, irrespective of the form of property.

#### **Article 10. Legislative Regulation of the Relations of Property in Monuments of History and Culture**

The special features of the realization of the right of property in monuments of history and culture are defined by the Law of the Belorussian SSR: "On the Protection and Use of Monuments of History and Culture" and other special legislation of the Belorussian SSR.



**Article 11. Legislative Regulation of the Relations of Intellectual Property**

Relations in regard to the creation and use of inventions, discoveries, works of science, literature and art, and other objects of intellectual property are regulated by special legislation of the Belorussian SSR.

**Part II. Private Property**

**Chapter 3. General Provisions on Private Property**

**Article 12. The Concept of Private Property**

Private property is the property belonging to a citizen as a physical person.

**Article 13. Bases of the Emergence of Private Property**

Private property is created and multiplied through entrepreneurial and labor activity, from the management of a person's own business, income from funds invested in credit institutions, shares, and other securities, acquisitions of property by inheritance, and on other bases permitted by law.

**Article 14. Exclusive Right of the Citizen to the Disposal of His Abilities**

To the citizen belongs the exclusive right to dispose of his abilities of productive and creative work.

The citizen carries out this right independently or on the basis of a contract.

**Article 15. Right of the Citizen to Invest in the Property of the Enterprise (Organization), to Participate in the Distribution of Profit (Income) and Management**

The citizen has the right, with the consent of the owner, to make a monetary or other investment in the property of an enterprise, another economic organization, a peasant farm or other labor business, and to take part in the distribution of profit (income), as well as to take part in the management, if no other provisions are made by the statute or contract.

**Article 16. Granting of Land to the Citizens of the Belorussian SSR The granting of land to citizens of the Belorussian is determined by the Belorussian SSR Code on Land.**

**Chapter 4. Objects of the Right of Private Property**

**Article 17. Objects of the Right of Private Property**

The following may be privately owned: residential houses, dachas, garden houses, plantings on a plot of land, means of transportation, monetary funds, stocks and other securities, household goods and personal articles, production and farm structures, means of production for the management of economic or other activity not prohibited by law, a trade or service enterprise, cultural and art objects, produced products, and income received, as well as other property intended for consumption and production.

**Article 18. Conditions for the Acquisition of Property in an Apartment, Dacha, Garage, Other Structure, or Premise. Competence of the Owner Regarding Disposition of Said Property**

A member of a housing, housing-construction, dacha, garage, or other cooperative, who has contributed his share for the apartment, dacha, garage, other structure or premise in full that were given to him to use, acquires the right of ownership in this property.

The tenant of a dwelling in a house of state or public dwellings and the members of his family have the right to buy out the corresponding apartment or house from the owner.

After acquiring ownership of said property, the citizen has the right to dispose of it at his discretion—to sell it, to bequeath it, to rent it, and to complete any transactions with it that do not contradict the law.

The procedure for buying and selling of apartments and houses in state and public dwelling houses is regulated by legislation of the Belorussian SSR.

**Article 19. Forms of Property That Cannot Be Privately Owned**

Forms of property that cannot be privately owned may be established by legislative acts of the Belorussian SSR.

The composition and value of other property acquired by a citizen through labor income, entrepreneurial activity, savings, and on other bases permitted by law, is not limited.

**Part III. Collective Property**

**Chapter 5. General Provisions on Collective Property**

**Article 20. Objects and Kinds of Collective Property**

Any property with respect to which the right of collective ownership is not prohibited by the law of the Belorussian SSR may be collectively owned. Collective property may appear in the form of lease enterprises, collective enterprises, cooperatives, joint stock companies, industrial companies and partnerships, economic associations, public, religious, and other organizations and associations.

**Article 21. Enterprises, Organizations, and Institutions Which May Only Be Owned by the State**

Enterprises, organizations and institutions which may only be owned by the state are determined by the BeSSR Council of Ministers and are confirmed by the BeSSR Supreme Soviet.

**Article 22. Bases of the Emergence of Collective Property**

The formation of collective property is secured:

—by granting to labor collectives the possibility of using income received to buy out state property;

- by transforming state enterprises into joint stock companies, cooperatives, people's enterprises, industrial partnerships, and collective enterprises;
- through the voluntary combination of the property of physical land juridical persons for the creation of cooperatives, people's enterprises, joint stock companies, other industrial companies and partnerships.

Collective ownership may also be formed through the gratuitous transfer of property of state enterprises and organizations to the ownership of labor collectives.

#### **Chapter 6. Property in a Lease Enterprise**

**Article 23. Objects of the Right of Property in a Lease Enterprise** A lease enterprise may own the produced products, income received, and other property acquired through the means of this enterprise.

**Article 24. Procedure and Conditions of the Participants of the Members of a Labor Collective of a Lease Enterprise in the Management of Its Activity and the Distribution of Profit**

The procedure and conditions of the participation of the members of the labor collective of a lease enterprise in the management of its affairs and distribution of profit (income) are determined by the statute of the lease enterprise.

#### **Chapter 7. Ownership of the Collective Enterprise**

**Article 25. Bases for the Emergence of Property in a Collective Enterprise**

Property in a collective enterprise arises in the case of the transition of the entire property of a state enterprise to the ownership of a labor collective and the buying out of leased property or the acquisition of the property by other methods envisaged by the law.

The property of a collective enterprise, including products produced and income received, is the property of its collective.

**Article 26. Investments of Workers in the Property of a Collective Enterprise**

In the property of a collective enterprise the investments of its workers are determined. Such contributions include: Sums of the investments of the worker in the property of a state or lease enterprise, on the basis of which the collective enterprise is formed, as well as the share of the worker in the growth of the property of this enterprise after its creation.

The size of the share of the worker in the growth of the property is determined proceeding from his labor participation in the activity of the enterprise, as well as the size of the worker's investment on the basis of which the collective enterprise was formed.

For the investment of the worker of a collective enterprise interest is added and paid in an amount determined by the labor collective, proceeding from the results of the economic activity of the enterprise.

To a worker who has terminated his labor relations with an enterprise, as well as to the heirs of a deceased worker, the value of the investment and the part of the income due are paid. In the case of the liquidation of a collective enterprise, the value of the contribution and the part of the income due are paid to the workers (their heirs) from the property remaining after settlements with the budget, banks, and other creditors of the enterprise.

#### **Chapter 8. Ownership of a Cooperative**

**Article 27. Basis for the Emergence of Property in a Cooperative**

Property in a cooperative arises through monetary and other property payments of its members, through the products produced by it, the income received from their sale, and through other activity envisaged by the statute of the cooperative.

**Article 28. Distribution of the Property of a Cooperative During Its Liquidation**

During the liquidation of a cooperative, the property that remained after settlements with the budget, banks and other creditors, is distributed among the members of the cooperative in accordance with the statute of the cooperative.

#### **Chapter 9. Property of an Industrial Company and Partnership**

**Article 29. Bases for the Emergence of Property of an Industrial Company and Partnership**

The property of industrial companies and partnerships that are juridical persons arises through the investments of participants, through property received as the result of economic activity and acquired by them on other bases that do not contradict the law.

The investments of the participant in an industrial company and partnership may include fixed capital and working capital, monetary funds and securities.

**Article 30. Participants of an Industrial Company and Partnership** The participants of an industrial company and partnership may be enterprises, institutions, organizations, state organs, as well as physical persons.

#### **Chapter 10. Property of a Joint Stock Company**

**Article 31. Bases for the Emergence of Property of a Joint Stock Company**

A joint stock company is the owner of property created through the sale of shares, as well as received as the result of its economic activity and obtained by it on other bases that do not contradict the law.

**Article 32. Shareholders**

Physical and juridical persons who have the right to be shareholders are stipulated in the statute of the joint stock company.

**Article 33. Transformation of a State Enterprise Into a Joint Stock Company**

A state enterprise, by joint decision of the labor collective and the authorized state organ, may be transformed into a joint stock company through the issue of shares to the whole value of the enterprise property.

**Chapter 11. Property of an Association**

**Chapter 34. Objects of the Right of Property of an Association**

An association of enterprises and organizations (including an association, concern, consortium, industrial, inter-industrial and regional association) has the right of ownership in property voluntarily transferred to it by enterprises and organizations, as well as received as the result of its economic activity. An association does not have the right of ownership in the property of the enterprises and organizations included in it.

**Article 35. Distribution of Property Left Over After the Termination of the Activity of an Association**

Property left over after the termination of the activity of an association is distributed among the enterprises and organizations included in it in accordance with the statute of the association.

**Chapter 12. Property of Public Associations and Religious Organizations**

**Article 36. Objects of the Right of Property of Public Associations and Religious Organizations**

Public associations and religious organizations may own buildings, installations, housing, equipment, inventory, property for cultural-educational and health improvement purposes, monetary means, shares, other securities and other property necessary for the material provision of the activity envisaged by their statutes (regulations). Public associations and organizations may also own enterprises that are created in accordance with the purposes indicated in the statutes (regulations) of these associations and organizations at their expense.

**Article 37. Basis for the Emergence of Property of Public Associations and Religious Organizations**

Public associations and religious organizations have the right of ownership in property acquired and created by them at their own expense, donated by citizens and organizations, or handed over by the state, and acquired on other bases that do not contradict the law.

**Article 38. Use of Property Left Over After Liquidation of a Public Association**

Property left over after the liquidation of a public association is directed toward the purposes envisaged by its statute (regulations).

**Part IV. State Property**

**Chapter 13. General Provisions Concerning State Property**

**Article 39. Forms of State Property in the Belorussian SSR**

State property in the Belorussian SSR includes property of the Belorussian SSR, property of the administrative-territorial formations (communal property). By agreement among the owners of state property, it may be owned in common.

**Article 40. Limitation of the Responsibility of Subjects of the Right of Property**

The Union of Soviet Socialist Republics is not responsible for the obligations of the Belorussian SSR, and the Belorussian SSR, oblasts, rayons, and other administrative-territorial formations are not responsible for the obligations of the Union of Soviet Socialist Republics and each other's obligations.

**Chapter 14. Property of the Belorussian SSR**

**Article 41. Objects of the Right of State Property of the Belorussian SSR**

The Belorussian SSR owns the land, its mineral wealth, and the air space over the territory of the republic, the reservoirs, forests and other natural resources of the Belorussian SSR.

The Belorussian SSR owns the property of the republic organs of power and administration, the cultural and historical treasures of the people of the Belorussian SSR, the funds of the republic budget, the republic banks, the republic insurance, reserve and other funds, and may own enterprises and national economic complexes, educational institutions, objects of the sociocultural sphere, scientific research and design institutes and organizations, and other property securing the sovereignty and economic independence of the republic, and its economic and social development.

The Belorussian SSR also owns property acquired at the expense of funds from the republic budget or handed over to ownership of the Belorussian SSR without compensation by other subjects of the right of property.

The Belorussian SSR has the right to its share of all-Union property, including from the diamond stocks and gold reserves of the USSR.

**Article 42. The Procedure for the Use of Water and Other Natural Resources Located on the Territory of Another Union Republic**

The use and disposal of water and other natural resources located on the territory of the Belorussian SSR and another union republic are effected on the basis of agreement between them.

**Article 43. Legal Regulation of the Use and Protection of Natural Resources**

The use and protection of natural resources is effected in accordance with the procedure established by legislation of the Belorussian SSR.

**Chapter 15. Property of Administrative-Territorial Formations (Communal Property)****Article 44. Concept of Communal Property**

Communal property is property belonging to an administrative-territorial formation of the Belorussian SSR.

**Article 45. Objects of the Right of Communal Property**

Administrative-territorial formations may own the property of the organs of power and administration of the administrative-territorial formation, local budget funds, housing and the housing and municipal services of the local Soviet of People's Deputies, as well as enterprises of agriculture, trade, consumer services, transportation, industrial, construction, and other enterprises and complexes, institutions of public education, culture, public health, and other property necessary for the economic and social development of the corresponding territory.

**Article 46. Disposal and Administration of Objects of Communal Property**

Disposal and administration of state property in communal ownership are effected on behalf of the population of the administrative-territorial formations by the corresponding local Soviets of People's Deputies in accordance with the procedure established by law.

**Chapter 16. Property of a State Enterprise****Article 47. Competence of a State Enterprise**

A state enterprise exercises the competence of possession, use, and disposal with respect to the state property allotted to it within the limits established by the owner and the legislative acts of the Belorussian SSR.

**Article 48. Competence of State Organs Authorized to Manage State Property**

State organs authorized to manage state property decide questions of the creation of an enterprise and the determination of the purposes of its activity, its reorganization and liquidation, monitor the efficiency of the use and the preservation of the state property entrusted to it, and carry out other legal powers in accordance with the legislative acts of the Belorussian SSR.

**Article 49. Consequences of the Adoption, by a State Organ Authorized To Manage State Property, of a Decision To Reorganize or To Liquidate a State Enterprise**

In case of the adoption, by a state organ authorized to manage state property, of a decision concerning the reorganization or liquidation of a state enterprise, the labor collective has the right to demand the turning over

of the enterprise for rent or its transformation into another enterprise based on collective ownership. Disputes arising in such cases between the state organ and the labor collective are resolved by the State Board of Arbitration or a court in accordance with their competence.

**Chapter 17. Property of the Members of a State Enterprise Labor Collective****Article 50. Right of the Members of a State Enterprise Labor Collective to Part of the Profit**

Part of the net profit may be transferred to the property of members of the labor collective in accordance with the procedure and in the dimensions set forth by the legislative acts of the Belorussian SSR or by the statute of the enterprise.

**Article 51. Investment of a Member of a State Enterprise Labor Collective**

By agreement with the owner, the sum of the profit belonging to a member of the labor collective, may make up his investment in the enterprise. For the sum of his investment, the member of the labor collective, if he so desires, may be issued shares.

For the investment (shares), the enterprise pays interest (dividends) annually. The part of the profit earmarked for the payment of interest (dividends) is determined by agreement between the administration and the labor collective.

**Article 52. Use of Investment**

With the agreement of a member of the labor collective, the sum of his investment (fully or in part) may be directed toward the construction or acquisition of a dwelling or other objects intended for sociocultural purposes. For the corresponding sum of the investment, no interest is added. The member of a labor collective has the right to receive the sum of his investment (value of the shares) in the manner and within the time periods determined in accordance with the statute.

During the liquidation of an enterprise, the investment of a member of the labor collective is given to him (his heir) in monetary form or in securities after satisfaction of the claims of creditors.

**Chapter 18. Property of a State Institution****Article 53. Legal Powers of a State Institution Regarding the Property allotted to it.**

A state institution (organization) that depends on the state budget carries out, with respect to the state property allotted to it, the legal powers of possession, use, and disposal, within the limits established by the owner and the legislation in effect, in accordance with the goals of its activity and the purpose of the property.

**Article 54. Right of a State Institution to the Independent Disposal of Income from Economic Activity**

State institutions (organizations) which are dependent on the state budget and carry out economic activity in accordance with the law dispose independently of the income of such activity.

**Article 55. Responsibility of a State Institution With Respect to Obligations**

A state institution (organization) is responsible with respect to obligations with the monetary the monetary assets and property at its disposal. In case the state institution (organization) has insufficient funds, the responsibility for its obligations is borne by the owner of the corresponding property.

**Part V. Ownership of Other States, Foreign Physical and Juridical Persons, International Organizations, and Joint Enterprises**

**Article 56. Ownership of Other States and International Organizations** Other states and international organizations have the right to own property on the territory of the Belorussian SSR that is necessary to carry out diplomatic, consular, and other international relations, in the cases and order established by international agreements and legislative acts of the Belorussian SSR.

**Article 57. Property of Joint Enterprises**

Joint enterprises, with participation of foreign physical and juridical persons, may be created on the territory of the Belorussian SSR and own property necessary to carry out the activity envisaged by the founding documents.

**Article 58. Property of Foreign Physical and Juridical Persons**

The provisions of the present Law also apply to the property of foreign physical and juridical persons located on the territory of the Belorussian SSR, if no other provisions are established by legislation in force on the territory of the Belorussian SSR, as well as by international treaties of the Belorussian SSR.

**Article 59. Property of Foreign Juridical Persons**

Foreign juridical persons have the right to own, on the territory of the Belorussian SSR, industrial and other enterprises, buildings, installations, and other property for the purpose of carrying out economic and other activity in the cases and order established by legislative acts of the Belorussian SSR.

**Part VI. Common Ownership**

**Article 60. Concept and Kinds of Common Ownership**

Common property is property belonging simultaneously to two or several owners.

Common property in which a share belonging to every owner is determined is share property.

Common property in which a share belonging to every owner is not determined is their joint property.

**Part VII. Guarantee of Protection of the Right of Property Investigation of an Owner's Property**

**Chapter 19. Guarantee of the Right of Property**

**Article 61. Guarantee of Conditions of the Protection of the Right of Property of Other States, Foreign Physical and Juridical Persons, and International Organizations on the Territory of the BeSSR**

On the territory of the Belorussian SSR, the rights of property of other states, foreign physical and juridical persons, and international organizations are under the protection of the legislative acts of international law and the present Law of the Belorussian SSR.

**Article 62. Guarantees of the Stability of Property Relations**

The state guarantees the stability of the ownership relations established in accordance with the present Law.

**Article 63. Consequences of the Adoption of Legislative Acts Terminating the Right of Property**

In case of the adoption of legislative acts terminating the right of property by the Belorussian SSR, the losses inflicted on the owner as the result of the adoption of these acts are indemnified in full to the owner by the Belorussian SSR.

**Article 64. Invalidity of Acts Violating the Rights of Owners**

If, as the result of the promulgation of an act not corresponding to the law by an organ of state administration or a local organ of state power, the rights of an owner and other persons in regard to the possession, use, or disposal of property belonging to them, such an act is recognized as invalid on the basis of a suit by the owner or another person whose rights were violated.

**Article 65. Indemnification of Losses Inflicted as the Result of the Promulgation of Acts Violating the Right of an Owner**

Losses inflicted on citizens, organizations, and other persons as the result of the promulgation, by organs of state administration or local organs of state power, of acts violating the rights of an owner and other persons in regard to the possession, use, or disposal of property belonging to them, are subject to indemnification in full

at the expense of funds at the disposal of the corresponding organ of power or administration.

#### **Chapter 20. Protection of the Right of Property**

##### **Article 66. Demand for Property by an Owner from Someone Else's Illegal Possession**

An owner has the right to demand his property from someone else's illegal possession in accordance with civil legislation.

##### **Article 67. Removal of the Violation of the Rights of an Owner Not Connected With Deprivation of Possession**

An owner may demand the removal of any violations and obstacles in the realization of the rights of ownership, although these violations (obstacles) are not connected with the deprivation of his right of possession.

##### **Article 68. Organs Carrying Out the Protection of the Right of Property**

Protection of the right of property is carried out by a court, the state board of arbitration, or an arbitration tribunal.

##### **Article 69. Protection of the Rights of the Holder of Property Who Is Not Its Owner**

The rights envisaged by Articles 64-68 of the present Law belong also to a person who is not the owner, but who holds the property on legal foundations. This person has the right to protection of his property also against the owner.

#### **Chapter 21. Foreclosure on the Property of an Owner**

##### **Article 70. Foreclosure on Property for Obligations of a Juridical Person**

For obligations of a juridical person, foreclosure may be made on property belonging to it by right of ownership.

##### **Article 71. Limitation of Responsibility of an Owner and the Juridical Persons Created by Him**

An owner is not responsible for the obligations of the juridical persons created by him, and they are not responsible for the obligations of the owner, except in the cases provided for by the legislative acts of the Belorussian SSR or by an agreement between the owner and a juridical person.

##### **Article 72. Responsibility of Physical Persons for Their Obligations.**

Physical persons are responsible for their obligations with the property belonging to them by right of ownership.

##### **Article 73. Enumeration of the Property of Physical Persons Not Subject to Foreclosure**

The enumeration of the property of physical persons not subject to foreclosure on the basis of the claims of creditors is established by the Code of Civil Procedure of the Belorussian SSR.

#### **Chapter 22. Protection of the Interests of the Owner During the Termination of the Right of Property**

##### **Article 74. Protection of the Rights of the Owner in Connection With a Decision To Remove a Parcel of Land or Another Decision Not Aimed Directly at the Removal of Property**

The termination of the right of Property in connection with a decision to remove a parcel of land, on which a house, other structures, installations, or plantations belonging to the owner are located, or by another decision by a state organ not aimed directly at the removal of property from the owner, is permitted only in cases and in the manner established by the legislative acts of the Belorussian SSR, with indemnification in full to the owner for losses inflicted by the termination of the right of property.

##### **Article 75. Procedure for Implementation of a Decision to Terminate the Rights of Property in the Presence of the Owner's Disagreement**

In the presence of the disagreement of the owner, a decision involving the termination of the right of property cannot be implemented prior to the settlement of the dispute by a court, the state board of arbitration, or an arbitration tribunal. During the examination of the dispute, all questions of indemnification to the owner for losses inflicted are also decided.

##### **Article 76. Removal of Property from an Owner by the State**

The removal of property from an owner by the state is permitted only during foreclosure on this property for obligations of the owner in the cases and in the manner envisaged by the legislative acts of the Belorussian SSR, as well as in the manner of requisition and confiscation.

##### **Article 77. Requisition of Property**

In case of natural disasters, accidents, epidemics, and epizootics of an extraordinary character, property may be removed from the owner in the interest of society by decision of the organs of state power in the manner and under the conditions established by legislative acts of the Belorussian SSR, with payment to him of the value of the property (requisition).

##### **Article 78. Confiscation of Property**

In cases provided for by the legislative acts of the Belorussian SSR, property may be taken from the owner in the form of a sanction for a crime committed or another violation of the law (confiscation).

*[Signed] N. Dementey, Chairman of the BeSSR Supreme Soviet, 11 December 1990, Minsk.*

**Decree on Law's Implementation**

914A0667B Minsk SOVETSKAYA BELORUSSIYA  
in Russian 26 Dec 90 p 2

[BeSSR Supreme Soviet decree: "On Putting Into Effect the Law of the Belorussian SSR: 'On Ownership in the Belorussian SSR'"]

[Text] The BeSSR Supreme Soviet decrees:

1. To put into effect the Law of the Belorussian SSR: "On Property in the Belorussian SSR" as of 1 January 1991.

2. Pending the bringing in of legislation of the Belorussian SSR in accordance with the Law of the Belorussian SSR: "On Property in the Belorussian SSR," the effective acts of legislation are applied so long as they do not contradict this Law. In so doing, the decisions of the government of the Belorussian SSR promulgated before the introduction of the present Law in regard to questions which, according to the Law may be regulated only by legislative acts, are in effect pending the adoption of the corresponding legislative acts.

3. The Law on the Belorussian SSR: "On Property in the Belorussian SSR" is applied to juridical relations that have arisen after the introduction of the Law.

In regard to juridical relations that arose before the introduction of the present Law, the Law of the Belorussian SSR: "On Property in the Belorussian SSR" is applied to the rights and obligations that will arise after the introduction of the Law.

The provision of Article 4 pertaining to questions of the restoration of the right of property is applied to juridical relations that have arisen after the introduction of the present Law.

The provisions of Article 18 of said law extend to juridical relations that have arisen both before and after the introduction of the Law.

4. The provisions of the Law of the Belorussian SSR: "On Property in the Belorussian SSR" pertaining to state ownership of the Belorussian SSR and the ownership of administrative-territorial formations enter into force as property is differentiated between the said forms of ownership.

5. Cases attributed by the Law of the Belorussian SSR: "On Property in the Belorussian SSR" to the jurisdiction of the court and the state board of arbitration and not completed by the procedure in administrative and other organs at the moment of the introduction of the Law are subject to examination by courts and organs of state arbitration in accordance with the established jurisdiction.

6. The rules on the protection of the right of property envisaged by Articles 64-69 and 74-78 of the Law Belorussian SSR: "On Property in the Belorussian SSR"

extend also to demands that have arisen before the introduction of the present Law.

The right to indemnification, provided for by Article 63 of the Law, for losses inflicted on an owner by the adoption of a legislative act terminating the right of property is applied with respect to acts adopted after the introduction of the Law.

7. To instruct the BeSSR Council of Ministers:

—to submit before 1 April 1991 for examination of the BeSSR Supreme Soviet draft legislative acts regulating relations with respect to the creation and use of inventions and discoveries, works of science, literature, art, and other objects of intellectual property; a draft legislative act defining the kinds of property that cannot be privately owned; draft legislative acts on joint stock companies and partnerships;

—before 1 July 1991 to secure, jointly with the executive committees of the local Soviets of People's Deputies, the differentiation of state property between the property of the Belorussian SSR and the property of the administrative-territorial formations. In so doing, to proceed from the fact that the property of the administrative-territorial formations, besides the property of enterprises, institutions and organizations of local subordination, must also include the property of enterprises, institutions and organizations of republic subordination being transferred to the property of an administrative-territorial formation;

—before 1 January 1991 to decide the question of the formation of a Committee for the Management of State Property attached to the BeSSR Council of Ministers;

—to bring in, before 1 April 1991, decisions of the government of the Belorussian SSR in accordance with the Law of the Belorussian SSR: "On Property in the Belorussian SSR";

—to secure the revision and abolition, before 1 May 1991, by ministries, state committees and departments of the Belorussian SSR, of their normative acts that contradict the indicated law;

—before 1 June 1991 to submit to the BeSSR Supreme Soviet proposals for bringing the legislative acts of the Belorussian SSR in conformity with the Law of the Belorussian SSR: "On Ownership in the Belorussian SSR."

[Signed] N. Dementey, Chairman of the BeSSR Supreme Soviet, 11 December 1990, Minsk.

**Lithuanian Temporary Law on Customs Tariffs**

914A0669A Vilnius EKHO LITVY in Russian  
12, 13 Feb 91

[Text of "Temporary Law of the Republic of Lithuania on Customs Tariffs"]

[12 Feb 91, p 2]

[Text]

**I. General Provisions**

**Article 1.** The present law establishes procedures for the setting of customs tariffs for goods and other assets imported to, exported from, or in transit through the territory of the Republic of Lithuania, as well as for the creation and application of a system of customs rules.

The present law applies to corporate persons and individuals on the entire territory of the Republic of Lithuania in which customs duties are in effect.

**Article 2.** The customs tariff of the Republic of Lithuania is a systematic collection of payment norms according to which goods and other assets exported from, imported to, or in transit through the territory of the Republic of Lithuania are to be taxed. Customs tariffs are approved by the Republic of Lithuania Government based on the nature of the goods, the methods of calculation, and the structure of tariffs.

**Article 3.** The customs tariffs of the Republic of Lithuania are established in keeping with the principles and norms for setting customs duties which are recognized in international practice, and are based on a harmonized system of the registration and coding of goods.

**Article 4.** All goods and other assets imported to, or exported from, the territory of the Republic of Lithuania are subject to taxation, unless the present law provides otherwise.

**Article 5.** Customs tariffs are developed, established, abolished, and revised in keeping with the present law and procedures set forth by the government of the Republic of Lithuania.

**II. Customs Duties**

**Article 6.** The following customs duties are used depending on the nature of goods and freight:

- 1) export duties—collected on goods and other assets exported from the Republic of Lithuania,
- 2) import duties—collected on goods and other assets imported to the Republic of Lithuania,
- 3) seasonal duties—collected during specific periods when certain goods or other assets are exported or imported.

All of the above customs duties are calculated in keeping with the customs tariffs of the Republic of Lithuania.

**Article 7.** The following customs duties are used on the territory of the Republic of Lithuania, taking the method of computation into account:

1) ad valorem (value-based) duties are set as a percentage of the value of goods and other objects subject to the collection of customs duties;

2) specific duties—calculated on the basis of a fixed tariff per unit of measurement of goods and other assets;

3) mixed duties—a combination of the two above duties.

**Article 8.** The following customs duties are used on the territory of Republic of Lithuania, taking into account the interests of the Lithuanian economy and the tariff structure:

1) special duties—used in response to discriminatory actions by individual companies, foreign countries, or their unions with regard to the Republic of Lithuania. The rate of special customs duties is set on a case-by-case basis;

2) antidumping duties—used in cases in which goods and other assets are exported from, or imported to, the Republic of Lithuania at prices lower than those of similar or directly competing goods and other assets at the time they are exported or imported, as well as in cases in which the export or import of these goods and assets may be harmful to the interests of the Republic of Lithuania;

3) compensatory duties—used when goods are exported from the Republic of Lithuania in the production and export of which subsidies were used directly or indirectly, as well as when the interests of the Republic of Lithuania are adversely affected as a result of exporting such goods. Compensatory customs duties should not exceed the ascertained amount of subsidies;

4) fiscal (financial) duties—used if goods and other assets are taxed with a view to increasing the revenues of the state budget;

5) protective (defensive) duties—used when goods and other assets are subject to taxation with a view to protecting local producers against competing foreign companies;

6) preferential duties—used with a view to reducing the amount of customs duties on goods and other assets imported from individual countries;

[13 Feb 91, p 2]

[Text]

**(Conclusion)**

7) equalizing duties—used when goods and other assets are taxed with a view to equalizing prices for imported and locally produced goods, as well as other assets;

8) retaliation duties—used for taxing goods and other assets of countries that substantially increase duties on their goods and other assets;



9) statistical duties—used to calculate the turnover of trade of the Republic of Lithuania.

### III. Rates of Customs Duties

**Article 9.** Customs duties on taxable goods and other assets are computed in keeping with the declared value or price of the goods. In determining the amount of customs duties, the prices of goods and other assets indicated in the invoice-bill are taken into account, as well as other actual expenditures which are not included in the invoice-bill:

- 1) expenditures for transportation, loading, unloading, and insurance to the point where the customs boundary of the Republic of Lithuania is crossed;
- 2) commissions and broker taxes.

**Article 10.** If an owner of goods and other assets indicates unrealistic prices for them in a declaration, or if it is impossible to establish and verify them, the amount of customs duties is established by the customs on the basis of:

- 1) prices for identical goods and other assets in the market of Lithuania;
- 2) prices for homogeneous or directly competing goods and other assets in the market of Lithuania;
- 3) reporting cost of these goods and other assets.

### IV. Computation and Payment of Customs Duties

**Article 11.** The Republic of Lithuania customs duties are calculated on the basis of the rates of customs tariffs in effect as of the day a declaration is filed. Foreign currency is paid in cases of reports under contract.

**Article 12.** The amounts of collected customs dues are transferred to the Republic of Lithuania State Budget in their entirety.

**Article 13.** The following are exempt from the payment of duties:

- 1) transportation vehicles used for the regular transportation of freight, luggage, and passengers to other countries, as well as tools, fuel, and other objects which may be needed en route, during intermediate stops, or for eliminating various breakdowns of the above transportation vehicles;
- 2) foreign currency and securities;
- 3) goods and other assets unfit for use;
- 4) goods and other assets which are delivered to the Republic of Lithuania as humanitarian aid, as specified in appropriate documents;
- 5) assets temporarily imported to, and exported from, the Republic of Lithuania, or those temporarily exported from, and imported to, the Republic of Lithuania without treatment or processing.

### V. Repayment and Collection of Customs Duties, Taxation, and Responsibility for Failing to Pay Customs Duties

**Article 14.** At the request of the owner of goods and other assets, customs duties collected without valid grounds are to be returned within a year of the day they were paid by a decision of the chief of customs or the courts.

**Article 15.** The amounts of customs duties not paid through the fault of the owner of goods and other assets are collected within one year of the day the customs duties are imposed.

**Article 16.** Personal effects exported across the customs border of the Republic of Lithuania are subject to taxation through the procedures and at the rates of customs duties established by the Republic of Lithuania Government.

**Article 17.** If international treaties of the Republic of Lithuania provide for taxation procedures other than those envisaged by the present law and other executive acts under the Republic of Lithuania laws on customs tariffs, the norms of the international treaties are used.

**Article 18.** If the customs taxes established are not paid, a fine representing three times the amount of the unpaid customs duties is collected from corporate persons through non-appealable procedures, and from individuals through procedures established by the law.

*[signed] V. Landsbergis, chairman of the Supreme Council of the Republic of Lithuania, Vilnius, 31 January 1991.*

### Lithuanian Decree on Implementation of Temporary Customs Tariff Law

914A0670A Vilnius EKHO LITVY in Russian  
13 Feb 91 p 2

*["Resolution of the Lithuanian Republic Supreme Soviet: On Implementing the Temporary Law of the Lithuanian Republic on Customs Tariffs"]*

*[Text] The Supreme Soviet of the Lithuanian Republic resolves:*

1. To stipulate that the Temporary Law of the Lithuanian Republic on Customs Tariffs becomes effective 1 February 1991.
2. To direct the Lithuanian Republic Government to establish customs tariffs prior to 1 March 1991.
3. That customs tariffs with the USSR are established by separate decree of the Lithuanian Republic Government on the basis of a coordinated, bilateral interstate customs policy.

*[Signed] V. Landsbergis, chairman of the Lithuanian Republic Supreme Soviet, Vilnius, 31 January 1991*

**Lithuanian Law on Changes to Law on Enterprises***914A0670B Vilnius EKHO LITVY in Russian 8 Feb 91 p 1*

["Law of the Lithuanian Republic: On Introducing Amendments to the Law of the Lithuanian Republic on Enterprises"]

[Text] The Supreme Soviet of the Lithuanian Republic resolves:

To introduce the following amendments to the Law of the Lithuanian Republic on Enterprises, adopted 8 May 1990, and to the Law of the Lithuanian Republic on Introducing Amendments and Additions to the Law of the Lithuanian Republic on Enterprises, adopted 31 July 1990:

1. The fourth paragraph of Part One of Article 13 will be changed to read as follows:

"to engage in pharmaceutical activity;".

2. The first paragraph of Part Two of Article 13 will be changed to read as follows:

"to manufacture and sell narcotic substances, potent or poisonous substances which cannot be used for medicinal purposes;".

[Signed] V. Landsbergis, chairman of the Lithuanian Republic Supreme Soviet, Vilnius, 31 January 1991

**Uzbek Law on Enterprises****Text of Law***914A0645A Tashkent PRAVDA VOSTOKA in Russian 1 Mar 91 pp 2-3*

[Text of Law of the Uzbek SSR: "Enterprises in the Uzbek SSR"]

[Text] This law determines the general legal, economic, and social principles of the creation, activity, reorganization, and liquidation of enterprises of all forms of ownership under the conditions of the development of commodity-money relations and a controlled market.

The law is geared to assurance of the independence of the enterprises, the purpose of whose activity is to obtain profit, determines their rights and responsibility and regulates relations with other enterprises and organizations, soviets of people's deputies and organs of state administration.

**Section I. General Provisions****Article 1. The Enterprise and Its Main Tasks**

1. An enterprise is an independence-managing subject with the status of body corporate which on the basis of the use of property belonging to it with rights of ownership or full economic management produces and sells or

exchanges products, performs jobs of work and offers services, exercising its activity under the conditions of competition and equality of all forms of ownership in accordance with current legislation.

2. Realization of the purpose of the activity of an enterprise is achieved by way of the satisfaction of social requirements in its products, operations, and services and the assurance on this basis of the social and economic interests of the members of the workforce and the interests of the owner of the property of the enterprise.

3. The enterprise has the right to engage in all types of economic activity if they are not prohibited by legislative instruments of the Union of SSR and the Uzbek SSR, and if they correspond to the purposes and tasks stipulated in the charter of the enterprise.

**Article 2. Types of Enterprises**

1. In accordance with the forms of ownership established by the Uzbek SSR law: "Ownership in the Uzbek SSR," enterprises of the following types may operate:

—based on the individual ownership (private and personal) of citizens of the Uzbek SSR, the Union of SSR and the Union republics and also of foreign citizens;

—based on collective (shirkat) ownership—collective, family, and makhalla enterprises and production cooperatives; enterprises belonging to cooperatives, joint-stock companies, limited companies and other economic companies or associations; enterprises of public organizations, enterprises of religious organizations and enterprises based on other forms of collective ownership;

—based on state ownership—the state Union enterprise; the state republic enterprise, state interrepublic enterprise, state enterprise of the Karakalpak ASSR and state interblast, interrayon, rayon municipal and other types of enterprise;

—based on full or several participation (joint ventures) in Union and republic ownership and the ownership of the Karakalpak ASSR and foreign bodies corporate, companies and states;

—based on mixed forms of ownership.

2. In accordance with the numbers of its employees, an enterprise may, regardless of forms of ownership, be classed as a small business, the particular features of whose creation and activity, status and registration conditions and also the procedure of attribution to this type of enterprise are regulated by the USSR Government, the cabinet under the auspices of the president of the Uzbek SSR, and the Karakalpak ASSR Council of Ministers.

Other types of enterprises, including leased enterprises, whose creation is not in conflict with legislative instruments of the Uzbek SSR, may operate in the Uzbek SSR also.

### Article 3. Enterprise Economic Associations

1. Enterprises may unite on a voluntary basis in economic associations: a union (ittifok), concern, consortium and other combines in accordance with sectoral, territorial or other principles for the purpose of coordination of activity, assurance of defense of their rights and representation of common interests in the corresponding state and other authorities and also in international organizations. The said structures are formed with regard for the antitrust requirements determined by the corresponding legislative instruments of the Uzbek SSR. Voluntary economic associations are subject to official registration, and their activity is regulated by this law.

2. The association and combine operate on the basis of a charter approved by their founders. Enterprises which become a part of associations preserve their independence and rights of body corporate, and the effect of this law extends to them.

3. The association and combine are not liable in respect to the obligations of the enterprises which are a part of them, and the enterprises are not liable in respect to the obligations of the association, unless otherwise stipulated by the founding agreement (charter).

4. Enterprises which are a part of an association have the right to leave it while preserving the obligations to the enterprises which are a part of the association in accordance with concluded contracts.

5. An association and combine are liquidated in accordance with a decision of the enterprises constituting them. An association is liquidated in the procedure established for the liquidation of an enterprise. The property left following the liquidation of an association is distributed among the participants in accordance with its charter.

### Article 4. Legislation Governing the Enterprise

1. Relations connected with the creation and activity of enterprises are regulated by this law and other legislative instruments of the Uzbek SSR promulgated in accordance therewith, and in the instances stipulated by these instruments, also by ordinances of the cabinet under the auspices of the president of the Uzbek SSR.

The legal, economic, and social principles of the creation, activity, reorganization, and liquidation of enterprises in the Karakalpak ASSR are regulated by legislation of the Karakalpak ASSR.

2. Particular features of the application of this law for individual types of enterprises whose activity is connected with upgraded demands on the organization and safety of operations and the continuous nature of the production engineering processes and also conditioned by the need for the centralization of management functions are determined by the cabinet under the auspices of the president of the Uzbek SSR.

3. Particular features of the creation and activity of enterprises which are in the full or several (joint ventures) ownership of the Union of SSR, the Union and autonomous republics and foreign bodies corporate and citizens are established by legislative instruments of the Union of SSR and the Uzbek SSR.

### Section II. Creation of an Enterprise and Procedure for its Registration

#### Article 5. General Conditions of the Creation of an Enterprise

1. An enterprise may be created in accordance with a decision of the owner (owners) or property or a body, enterprise or organization authorized by him (them) or in accordance with the decision of a workforce, group or individual founders in the procedure stipulated by this law and other legislative instruments of the Uzbek SSR.

2. An enterprise may be created as a result of the detachment from within operating enterprises and organizations of one or several structural subdivisions on the initiative of the workforce of the said subdivision (subdivisions) if the owner of the property of the enterprise (body, enterprise or organization which he has authorized) consents to this and provision is made for the fulfillment of prior commitments assumed by the enterprise.

3. In instances where a plot of land and other natural resources are required for the creation and activity of an enterprise, permission for the use thereof is given by the corresponding soviet of people's deputies, and in instances provided for by legislative instruments, also by the corresponding primary user of the natural environment, given a positive finding by environmental expert appraisal. A refusal to make available a plot of land and other natural resources may be appealed in the procedure stipulated by legislative instruments of the Uzbek SSR.

4. An enterprise is considered formed and acquires the right of body corporate as of the day of its official registration.

#### Article 6. Official Registration of an Enterprise

1. An enterprise is officially registered in the executive committee of a rayon, city and rayon-in-city soviet of people's deputies per the location of the enterprise, unless otherwise stipulated by legislative instruments of the Union of SSR and the Uzbek SSR. The data on the official registration of an enterprise are within a 10-day period communicated to the Ministry of Finance of the Uzbek SSR for inclusion in a common official register of the Uzbek SSR.

2. For the official registration of an enterprise in the executive committee of the corresponding soviet of people's deputies, the decision on its creation, charter and other documents in accordance with the list determined by the cabinet under the auspices of the president of the Uzbek SSR are presented.

The official registration of an enterprise should be realized not later than 30 days since the moment of submittal of the application with the attachment of the requisite documents to the executive committee of the corresponding soviet of people's deputies.

3. Denial of the official registration of an enterprise may result for reasons of a violation of the procedure established by legislative instruments of the Union of SSR and the Uzbek SSR of the creation of an enterprise and also the failure of the constituent acts (documents) to correspond to the requirements of legislation. Denial of official registration of an enterprise for reasons of the inexpediency of its creation is not allowed.

If an enterprise is not officially registered within the established timeframe or it is denied for reasons which the founder of the enterprise deems unwarranted, he may lodge an appeal in a court of law.

An unwarranted refusal to register an enterprise established by a court of law entails the material liability (over and above legal costs) of the executive committee of the soviet of people's deputies which refused to register the enterprise. The amounts of the material liability are determined by the court and are collected in the procedure established by law.

4. For the official registration of an enterprise a fee in an amount determined by legislation of the Uzbek SSR is collected from it. The monies thus obtained are entered by the executive committee of the soviet of people's deputies in the budget of the rayon, city and rayon in a city per the enterprise's place of registration.

#### **Article 7. Creation of Daughter Enterprises and Solitary Subdivisions of an Enterprise**

1. An enterprise has the right to create daughter enterprises with the status of body corporate and also affiliates, offices, branches, and other solitary subdivisions with the right to open checking and clearing accounts and to approve the regulations governing them.

2. The question of the location of such enterprises and subdivisions is agreed with the corresponding local soviets of people's deputies in the procedure determined by current legislation for the creation of an enterprise.

#### **Article 8. Licensing of Types of Activity**

1. For the exercise of types of activity subject to licensing, an enterprise is required to obtain the requisite license.

2. The procedure of the issuance and recognition as invalid of permits for the license activity of an enterprise is determined by the cabinet under the auspices of the president of the Uzbek SSR.

#### **Article 9. Charter of an Enterprise**

1. An enterprise operates on the basis of a charter. The charter is approved by the founder (founders) of the enterprise.

2. The charter of an enterprise determines the name of the enterprise, its location, the object and purpose of its activity, its organs of administration and control, their jurisdiction, the procedure of the formation of property of the enterprise and the distribution of profit (income) and the conditions of the reorganization and termination of the activity of the enterprise.

The charter may also include other provisions not in conflict with legislation of the Uzbek SSR connected with particular features of the activity of an enterprise.

### **Section III. The Owner and the Property of an Enterprise**

#### **Article 10. The Owner of an Enterprise**

1. The owner (owners) of an enterprise has the right to possess, use and dispose of the property belonging to him.

The owner (owners) has the right to engage in respect to his property any actions not in conflict with the law. He may use the property for the exercise of any economic or other activity not prohibited by law. The state guarantees protection of the property rights of the owner of an enterprise.

2. The owner (owners) of an enterprise has the right in exercising his ownership rights on the conditions and within the limits stipulated by legislative instruments of the Uzbek SSR to conclude contracts with citizens on the use of their labor.

#### **Article 11. Conditions of the Formation and Use of Property**

1. The property of an enterprise is composed of fixed and working capital and also other securities, whose value is reflected in the enterprise's independent budget.

2. In accordance with legislative instruments of the Uzbek SSR and the enterprise charter, the property of an enterprise may belong to it with ownership or full economic management status.

3. Sources of the formation of enterprise property are:

- the monetary and material contributions of the founders;
- income obtained from the sale of products, jobs of work and services and also other types of economic activity;
- income from securities;
- bank credit and that of other lenders;
- capital investments and budget subsidies;

—gratis and charitable contributions and donations of organizations, enterprises, and citizens and also inherited property and that obtained by way of exchange and gifts;

—other sources not prohibited by legislative instruments of the Uzbek SSR.

4. An enterprise has the right to sell and resell to other enterprises, establishments and organizations, exchange, lease and make available free of charge for temporary use or as a loan property which belongs to it and also write it off from its budget unless otherwise stipulated by legislative instruments of the Uzbek SSR and the enterprise charter.

5. An enterprise has the right, unless otherwise stipulated by the charter, to sell, transfer free of charge and lease to citizens means of production and other material assets, except for those which, in accordance with legislative instruments of the Uzbek SSR, may not be owned or utilized by them.

#### **Article 12. Possession and Utilization of Natural Resources**

1. An enterprise possesses and utilizes land and other natural resources in the established procedure for a fee, except in instances provided for by legislative instruments of the Uzbek SSR.

2. An enterprise is required to opportunely implement environmental-protection measures aimed at reducing and compensating for the negative impact of its production on the natural environment. Such measures may be financed from its own resources or other sources.

In accordance with legislation of the Union of SSR and the Uzbek SSR, an enterprise is responsible for compliance with the requirements and provisions pertaining to the rational use, restoration, and protection of land, waters, the interior, forests, and other natural resources, and also compensates damage caused as a result of its activity, including losses connected with a shortfall in products, operations, and services per the findings of the environmental-protection authorities.

#### **Article 13. An Enterprise's Attraction of the Resources of Bodies Corporate and Citizens**

1. An enterprise has the right to attract additional monetary resources of bodies corporate and citizens for the purpose of the expansion and upgrading of production and the social development of the workforce by way of the issuance and sale of securities.

2. The procedure of an enterprise's issuance and sale of securities, the types thereof, and the holders' rights are determined by legislation of the Union of SSR and the Uzbek SSR.

#### **Article 14. Guarantees of an Enterprise's Property Rights**

The state guarantees protection of an enterprise's property rights. The state's confiscation from an enterprise of its fixed capital, working capital, and other property is prohibited, except in instances provided for by legislative instruments of the Union of SSR and the Uzbek SSR.

Losses caused an enterprise as the result of a violation of its property rights by citizens, bodies corporate, and official bodies is reimbursed the enterprise in accordance with a ruling of a court of law or arbitration.

### **Section IV. Management of an Enterprise**

#### **Article 15. General Principles of the Organization of Management of an Enterprise**

1. An enterprise is managed in accordance with its charter. An enterprise independently determines the structure, forms, and methods of management and establishes the lists of personnel.

The owner or subject of the right of full economic management manage the enterprise directly or via bodies which they have authorized. The owner or subject of the right of full economic management or the bodies which they have authorized may delegate these rights to an enterprise council (board) or other body provided for by the enterprise charter and representing the interests of the owner and the workforce.

2. The hiring (appointment, election) and dismissal of enterprise managers is the right of the owner of the property of the enterprise or subject of the right of full economic management and is exercised by them directly and also via bodies which they have authorized or via enterprise councils, boards or other bodies to which enterprise management rights have been delegated.

#### **Article 16. The Manager of an Enterprise**

1. Upon the hiring (appointment, election) of the manager of an enterprise for the position, a contract (agreement, understanding) is concluded with him which determines the rights, duties, and responsibility of the manager of the enterprise and the conditions of his material support and dismissal from the position he occupies with regard for the guarantees provided for by current legislation of the USSR and the Uzbek SSR and other hiring conditions.

2. The manager of an enterprise independently decides questions of the enterprise's activity, except for those attributed by this law to the jurisdiction of the general meeting (conference) of the workforce and the enterprise council, acts on behalf of the enterprise without prior authorization, represents its interests at all national and foreign enterprises and in companies and organizations, disposes of enterprise property, concludes contracts, labor contracts included, issues power of attorney, opens in banks clearing and other accounts, enjoys the right to dispose of assets, approves the lists of personnel of the

executive staff of the board of directors and issues orders and gives instructions binding on all employees of the enterprise.

3. The manager of an enterprise independently appoints and dismisses his deputies, executives of the management staff and executives of the structural subdivisions.

4. The manager of an enterprise may be relieved of his position prior to expiration of the contract on the grounds provided for in the contract or current legislation of the Uzbek SSR.

#### **Article 17. The Enterprise Council (board)**

1. The enterprise council is formed on condition of the delegation to it by the owner of his authority pertaining to management of the enterprise.

The enterprise council (board) consists of an even number of representatives appointed by the owner of the property of the enterprise or the subject of the right of full economic management and elected by its workforce, unless otherwise stipulated by the enterprise charter.

2. The rights and duties of the enterprise council (board) are determined by the regulations governing the council (board) approved by the owner or subject of the right of full economic management or the bodies which they authorize.

### **Section V. Principles of an Enterprise's Economic Activity**

#### **Article 18. Enterprise Profit**

1. At enterprises of all types the principal summary indicator of the financial results of economic activity is profit.

2. The profit remaining at the enterprise following the payment of taxes and other fiscal payments (net profit) is at its full disposal. The enterprise independently determines the areas of the use of net profit, unless otherwise stipulated by the charter.

Government influence on the choice of direction of the use of net profit is exerted via taxes and tax allowances and also economic sanctions.

3. In instances provided for by legislative instruments or the enterprise charter part of the net profit is transferred to members of the enterprise workforce.

#### **Article 19. Earned Income of an Enterprise Employee**

1. The earned income of each employee, regardless of the type of enterprise, is determined by his personal labor contribution with regard for the end results of the work of the enterprise and is regulated by taxes and is not limited in terms of maximum amount.

2. The minimum pay of employees of all types of enterprises is determined by legislative instruments of the Uzbek SSR.

3. The forms, system, and amounts of the remuneration and also other types of income of the employees are determined by the enterprise independently.

#### **Article 20. Planning of Enterprise Activity**

1. An enterprise plans its activity independently and determines development prospects on the basis of the availability of resources of raw material and intermediate products and demand for the manufactured product, jobs of work and services.

2. The enterprise performs jobs of work and sells products and renders services for state needs on a contractual basis.

#### **Article 21. An Enterprise's Business Relations With Other Enterprises, Organizations and Citizens**

1. The relations of an enterprise with other enterprises, organizations and citizens in all spheres of economic activity are built on a basis of contracts.

2. Enterprises are free to choose the subject of a contract and to determine commitments and any other conditions of business relations not in conflict with legislation of the Uzbek SSR.

3. An enterprise sells its products and property and also renders services at its discretion unless this is contrary to legislation of the Uzbek SSR.

4. An enterprise takes account of the interests of the consumer and his demands on product quality, jobs of work and services. The interests and rights of the consumer are protected by legislative instruments of the Union of SSR and the Uzbek SSR.

The list of types of product, jobs of work and services whose unrestricted sale is prohibited or limited is determined by legislation of the Uzbek SSR.

#### **Article 22. Wholesale Trade, Production Support and Sale of Output**

1. Based on a study of market conditions, the possibilities of potential partners and information on price movements, an enterprise independently supports its own production, undertakes contracts of sale and sells its output on the markets (commodity, services, financial) directly or via a broker, with regard for the requirements of antitrust legislation.

2. In the transitional period leading up to the market, enterprises performing jobs of work and furnishing supplies for state needs are provided in this respect with material and technical resources by the state.

#### **Article 23. Prices and Pricing**

An enterprise sells its product, performs jobs of work and sells production waste at prices and rates determined independently or on a contractual basis. In accordance with legislative instruments of the Uzbek SSR, the

state regulates prices in instances of an enterprise's monopoly market position for the purpose of the social protection of the citizens.

#### Article 24. Financial and Credit Relations

1. The source of the formation of an enterprise's financial resources are profit, depreciation allowances, monies obtained from the sale of securities and shares and other contributions of members of the workforce, enterprises, organizations and the citizens and also other proceeds.

2. An enterprise avails itself of bank credit and the credit of other enterprises on a commercial contractual basis.

3. An enterprise has the right to open clearing and other accounts in any bank for the custody of monetary resources and the realization of all types of payment, credit, and cash transactions per the place of registration of the enterprise, and in another bank, with the consent of the latter.

4. The payment of wages and fiscal payments are priority payments for all enterprises. Other types of payments are made by an enterprise in chronological sequence.

5. An enterprise may supply products, perform jobs of work and render services on credit with the payment by the customers (consumers) of interest as for the use of loan capital. For the official registration of such commercial transactions an enterprise may employ in business turnover bills of exchange. An enterprise may grant other enterprises credit with the payment of interest.

6. An enterprise bears full responsibility for compliance with credit agreements and payment discipline. An enterprise which systematically fails to fulfill its payment obligations may be declared insolvent by the bank. Penalties and the procedure of their application to such enterprises are determined by the banks in accordance with legislative instruments of the Uzbek SSR.

#### Article 25. Capital Construction

1. An enterprise is free to choose the place of construction on the territory of the republic, given compliance with legislation of the Uzbek SSR, prescriptive requirements pertaining to the location of various types of industry, construction standards and rules, quotas and licenses established for individual territorial zones by the government of the republic.

2. An enterprise is free to choose any partners for the construction and to organize the competition of contract organizations and, if necessary, itself undertakes the surveying, layout and construction and installation work, given compliance with the pertinent legislation and approved construction standards and rules.

3. In all cases the construction plan undergoes official expert appraisal at the level of oblast or republic expert-appraisal authorities for the purpose of evaluation of strength, durability and compliance with the officially

approved safety rules and the requirements of labor and environmental protection in the established procedure.

#### Article 26. Foreign Economic Activity of an Enterprise

1. An enterprise has the right to independently engage in foreign economic activity in accordance with legislation of the Uzbek SSR.

2. Foreign currency earnings are entered in the enterprise's own foreign currency account and used by it independently. Foreign currency is deducted for Union, republic, and local treasuries from an enterprise's foreign currency earnings following the subtraction of the direct foreign currency outlays made by a given enterprise from its own currency resources.

The rate of the deductions for the Union, republic, and local treasuries is regulated by legislative instruments of the Uzbek SSR. Other withdrawals of an enterprise's foreign currency resources are prohibited.

### Section VI. Social Guarantees of the Enterprise

#### Article 27. Social Activity of the Enterprise

1. Questions of social development, including an improvement in the conditions and duration of the work, recreation, life and health and guarantees of compulsory medical insurance of members of the workforce and their families realized thanks to the enterprise's consumption fund, are decided by the workforce with the participation of enterprise management in accordance with legislative instruments of the Uzbek SSR.

The enterprise is required to make payments into the state social insurance fund and the retirement fund in the procedure and the amounts determined by current legislation.

2. The enterprise is required to ensure for all employees at the enterprise safe working conditions and is responsible in the procedure established by legislation for damage done to their health and fitness for work.

3. Retirees who worked up until retirement age at an enterprise enjoy on a par with the employees the enterprise's available opportunities in respect to medical services and provision with housing and passes to health-improvement and preventive establishments, and also, in accordance with a decision of the general meeting (conference) of the workforce, other social services and benefits.

4. An enterprise is required to constantly improve women's work and social conditions, provide for women with young children predominantly daytime work with a shortened working day and transfer pregnant women to lighter work with noninjurious working conditions and also accord women other benefits provided for by legislation. An enterprise with harmful working conditions may with the consent of the workforce create shops and bays for providing women with lighter work.

5. An enterprise may materially encourage employees of medical, children's, cultural-educational, health-improvement, educational and sports establishments, public catering organizations and other organizations which serve the workforce and are not a part of it.

6. The examination and solution of questions pertaining to citizens' requests and appeals to an enterprise are the exclusive obligation of the management and may not be entrusted to the citizens themselves.

#### **Article 28. The Enterprise Workforce and Its Authority**

1. The enterprise workforce is composed of all citizens participating by their labor in its activity on the basis of a labor agreement (contract, understanding) and also other forms regulating the labor relations of the employee and the enterprise.

2. The main form of exercise of the authority of the enterprise workforce is the general meeting (conference).

#### **Article 29. General Meeting (Conference) of the Enterprise Work Force**

The general meeting (conference) of the workforce:

- decides questions connected with the redemption of enterprise property;
- decides the question of the need for the conclusion with the enterprise management of a collective contract (agreement), examines the draft thereof and authorizes the trade union committee or other bodies to sign it on behalf of the workforce;
- elects (recalls) representatives to the enterprise council and receives accounts of their activity;
- determines for its employees additional leave, a shorter work day and other social benefits within the limits of the earned resources channeled into consumption.

#### **Article 30. The Collective Contract (Agreement)**

A collective contract (agreement) may be concluded at enterprises of all types and must not conflict with current legislation of the Uzbek SSR.

The collective contract (agreement) regulates production and labor relations at the enterprise and questions of the protection of the labor and social development of the workforce and the health of its members.

Upon disagreements arising at the time of the conclusion or execution of a collective contract (agreement), they are resolved in the procedure established by legislative instruments of the Uzbek SSR.

### **Section VII. The Enterprise and the State**

#### **Article 31. Guarantees of Enterprise Rights and Interests**

1. The state guarantees observance of enterprise rights and legitimate interests.

Upon the exercise of economic and other activity the enterprise has the right on its own initiative to adopt any decisions not in conflict with current legislation of the Uzbek SSR.

Interference in the economic and other activity of an enterprise on the part of state, public, and cooperative authorities is prohibited, except in cases provided for by legislation of the Uzbek SSR.

2. Republic and local state and public authorities and their officials are responsible in their adoption of decisions concerning the enterprise and in their relations therewith for compliance with the provisions of this law.

State authorities and officials may give an enterprise instructions only in accordance with their competence established by legislation. In the event of state or other authorities promulgating an act not in keeping with their competence or the requirements of legislation, enterprises have the right to appeal to a court of law or arbitration, applying for this act to be deemed invalid.

Losses caused an enterprise as a result of the fulfillment of the instructions of state or other authorities or their officials in breach of enterprise rights and also as a consequence of the inappropriate exercise by these authorities or their officials of obligations pertaining to the enterprise provided for by legislation are to be compensated by these authorities. Disputes concerning restitution for loss are resolved by a court of law or arbitration in accordance with their competence.

#### **Article 32. Legal and Economic Conditions of an Enterprise's Business Activity**

1. The state ensures for enterprises, regardless of forms of ownership, equal legal and economic management conditions.

2. The state contributes to the development of the market, realizes antitrust measures and provides all working people with social safeguards.

Actions aimed at undermining the reputation of a competitor and all compacts concerning production quotas, division of sales and supply markets and enterprises' support of monopoly prices for the purpose of limiting free competition are prohibited. Otherwise proceedings are instituted against an enterprise in accordance with antitrust legislation.

On a legislative basis the state ensures via the law enforcement and financial authorities freedom of competition and protects the consumers against an infringement of their rights and manifestations of monopolism in any sphere of economic activity.

3. Products introduced by an enterprise into economic turnover are subject to compulsory labeling with specification of the company trademark or product symbol and other information characterizing the product.



Appropriation of others' company impresses and trademarks and also any data permitting confusion (identification) of a product of one producer with those of other manufacturers is prohibited. Disputes which have arisen on these matters are resolved in legal form.

#### **Article 33. Accounting and Accountability**

1. An enterprise maintains a record of current operations and an account of the results of its work and keeps statistical records.

The forms of state statistical reporting are established by the state statistical authorities and include only factual data and also the addresses and dates of its presentation. Demanding the presentation of statistical reports in violation of the procedure established by this law is prohibited.

2. For the distortion of state accountability enterprise officials are subject to disciplinary responsibility and are materially and criminally liable, as established by legislation of the Uzbek SSR.

#### **Article 34. Commercial Secret of an Enterprise**

1. By commercial secret of an enterprise is understood information that is not an official secret connected with production, production engineering data, management, planning, finances and other activity of an enterprise whose disclosure (transfer, leak) could harm its interests.

2. The composition and extent of information constituting a commercial secret and the procedure of its protection are determined by the enterprise manager.

The types of enterprise activity, information concerning which may not constitute a commercial secret, are determined by the government of the USSR and the cabinet under the auspices of the president of the Uzbek SSR for the purpose of prevention of enterprises' concealment of information concerning environmental pollution and other negative activity capable of harming society.

3. Liability for the disclosure of information constituting an enterprise's commercial secret and for violation of the procedure to protect such information is established by legislative instruments of the Uzbek SSR.

#### **Article 35. Enterprise Liability**

1. For a breach of contract commitments, credit and payments and tax discipline, output quality requirements and other rules of the exercise of economic activity an enterprise bears full property responsibility stipulated by legislation of the Uzbek SSR.

2. An enterprise is required to compensate damage caused by noncompliance with requirements concerning the rational use of land and other natural resources, protection of the environment against pollution and other harmful effects, and a violation of the production safety rules, sanitary and hygiene standards and requirements pertaining to the protection of the health of its

employees, the population and the consumers of its products and also to pay a fine in an amount established by legislation of the Union of SSR and the Uzbek SSR.

The activity of an enterprise violating the established conditions of the utilization of the natural environment may in the procedure provided for by legislation of the Uzbek SSR be suspended until the violations have ceased.

#### **Article 36. Supervision of Enterprise Activity**

1. An audit of an enterprise's financial and economic activity may be performed on the initiative of the owner and not more frequently than once a year.

2. The tax and other state authorities, to which legislative instruments of the Uzbek SSR entrust the inspection of individual aspects of enterprise activity, may perform such inspections as the need arises and strictly within the limits of their competence. An enterprise has the right not to comply with the demands of these authorities in respect to questions not within their competence and not to familiarize them with material not pertaining to the object of supervision.

3. No type of inspection and audit should disrupt the normal business of the enterprise. The results of the audits and inspections are communicated to the enterprise.

#### **Article 37. The Enterprise's Relations With Organs of State Administration and the Local Soviets of People's Deputies**

1. An enterprise's relations with organs of state administration and local self-government are built in accordance with this law and other legislative instruments of the Uzbek SSR establishing the competence of these organs.

2. An enterprise voluntarily participates on a contractual basis in work on the comprehensive economic and social development of a territory performed by the local soviet of people's deputies from the resources of the local budget.

An enterprise is required in accordance with a decision of the local soviet of people's deputies or other competent state authorities to create from the resources of these authorities special jobs for persons with impaired fitness for work.

3. The local soviets' confiscation of housing, production space, and individual facilities belonging to an enterprise is prohibited.

#### **Section VIII. Liquidation and Reorganization of an Enterprise**

##### **Article 38. Conditions of the Liquidation and Reorganization of an Enterprise**

1. An enterprise is liquidated and reorganized (merged, annexed, divided, separated, converted) in accordance

with a decision of the owner of its property or the body authorized to create such enterprises or in accordance with a decision of a court of law or arbitration. The procedure of the liquidation of bankrupt enterprises is regulated by legislative instruments of the Uzbek SSR.

2. Upon the reorganization and liquidation of an enterprise the employees thereupon released are guaranteed observance of their rights and interests in accordance with legislation of the Uzbek SSR.

3. An enterprise is deemed reorganized or liquidated from the moment of its exclusion from the state registration roll.

4. In the event of an enterprise's merger with another enterprise, all the property rights and obligations of each of them are transferred to the enterprise which has arisen as a result of the merger.

Upon the annexation of one enterprise to another, all the property rights and obligations of the annexed enterprise are transferred to the latter.

5. In the event of the division of an enterprise, the property rights and obligations of the reorganized enterprise are transferred to the new enterprises which have arisen as a result of this division in accordance with an act of distribution (dividend) in the corresponding parts.

Upon the separation from an enterprise of one or several new enterprises, the property rights and obligations of the reorganized enterprise are transferred to each of them in the corresponding parts in accordance with the act of distribution (dividend).

6. Upon the conversion of one enterprise into another, all the property rights and obligations of the former enterprise are transferred to that which has newly arisen.

#### Article 39. Liquidation Commission

1. An enterprise is liquidated by a liquidation commission formed by the owner or a body which he authorizes, and in instances of an enterprise's bankruptcy, by a court of law or arbitration. In accordance with their decision, the liquidation may be effected by the enterprise itself in the shape of its organ of administration.

The owner, court of law (arbitration), or the body authorized to create the enterprise which adopted the decision to liquidate the enterprise determines the procedure and timeframe of the liquidation and also the timeframe for the presentation of the claims of creditors, which may not be less than two months from the moment of announcement of the liquidation.

2. The liquidation commission or other body liquidating an enterprise places in the official press where the enterprise is located a notice concerning its liquidation and the procedure and timeframe of creditors' presentation of claims. Together with this notice the liquidation commission (body effecting the liquidation) is required

to perform work on collecting the debts owed the enterprise and ascertaining the creditors' claims with notification of the latter of the liquidation of the enterprise.

The liquidation commission (body effecting the liquidation) values the property of the liquidated enterprise and settles accounts with creditors, draws up a liquidation balance sheet and presents it to the owner or the body that appointed the liquidation commission. The liquidation commission is responsible for damage caused for which it is to blame. The amounts and procedure of the penalty for the damage are determined by arbitration or a court of law.

#### Article 40. Satisfaction of Creditors' Claims

1. Creditors' claims against the liquidated enterprise are satisfied from the property of this enterprise. Money owed the treasury is satisfied and expenditure on the recultivation of land which was utilized by the liquidated enterprise is compensated as a priority here.

2. Claims brought to light and presented after the expiration of the timeframe established for their presentation are satisfied from the property of the enterprise which remains following satisfaction of the priority claims and the claims which had been brought to light and also the claims presented within the established timeframe.

3. Claims not satisfied for want of property are considered canceled. Claims not recognized by the liquidation commission (body effecting the liquidation) are also considered canceled if within one month from the day the creditors receive notice of complete or partial non-recognition of the claim they do not bring suit in a court of law or arbitration tribunal for satisfaction of their demands.

4. Periodic payments which are due from the enterprise in connection with an injury or other damage to the health or with the death of a citizen are capitalized upon liquidation of this enterprise.

5. Upon liquidation of an enterprise, the contribution of a member of the workforce is issued him in monetary form or securities following satisfaction of the claims of creditors in the procedure and on the conditions provided for by the charter.

6. The property remaining following satisfaction of the claims of creditors and members of the workforce is used per the direction of the owner.

7. Upon a reorganization of an enterprise, its rights and obligations are transferred to its successors.

*[Signed] I. Karimov, president of the Uzbek Soviet Socialist Republic, Tashkent, 15 February 1991*

**Decree on Law's Implementation**

914A0645B Tashkent PRAVDA VOSTOKA in Russian  
1 Mar 91 p 3

[Uzbek SSR Supreme Soviet decree: "Procedure of Implementation of the Uzbek SSR Law: 'Enterprises in the Uzbek SSR'"]

[Text] The Supreme Soviet of the Uzbek Soviet Socialist Republic resolves:

1. To implement the Uzbek SSR law: "Enterprises in the Uzbek SSR" as of the moment it is published; clause 2 of Article 21 in respect to state-owned enterprises, as of 1 January 1992.

2. That the cabinet under the auspices of the president of the Uzbek SSR will within a period of three months:

—present to the Uzbek SSR Supreme Soviet proposals concerning the alignment of legislative instruments of the Uzbek SSR with the Uzbek SSR law: "Enterprises in the Uzbek SSR";

—provide for the revision and revocation by ministries, state committees and departments of the Uzbek SSR of enforceable enactments adopted by them which are in conflict with the Uzbek SSR law: "Enterprises in the Uzbek SSR";

—determine lists of types of products, jobs of work, services and production waste whose unrestricted sale is prohibited or limited and lists of types of economic activity which require a special permit (license) and also the procedure of the issuance of permits for license activity and recognition thereof as invalid;

—determine the list of documents necessary for the official registration of enterprises.

To determine prior to the adoption of the corresponding legislative instruments within a period of one month:

—the minimum wage of employees of all types of enterprises on the territory of the republic in 1991;

—the procedure of the control of the price of products of enterprises occupying a monopoly market position;

—the procedure and conditions of enterprises' exercise of foreign economic activity and also the rate of foreign currency payments to the republic and local treasuries;

—the procedure of the creation and activity of enterprises based on the full or several participation of Union and republic ownership and the ownership of an autonomous republic, foreign bodies corporate and citizens.

3. To establish that prior to the alignment of legislation of the Uzbek SSR with the Uzbek SSR law: "Enterprises in the Uzbek SSR" current instruments of legislation of the Uzbek SSR apply inasmuch as they are not in conflict

with this law. Decisions of the government of the Uzbek SSR on matters which were published prior to the implementation of this law and which are regulated only by the law will continue to be in effect until the adoption of the corresponding instruments.

4. That the Uzbek SSR Supreme Soviet Committee for Industry, Consumer Goods, Services and Trade will establish supervision of compliance with the Uzbek SSR law: "Enterprises in the Uzbek SSR" and report on the progress of compliance therewith in the republic to the Uzbek SSR Supreme Soviet in January 1992.

[Signed] M. Ibragimov, chairman of the Uzbek SSR Supreme Soviet, Tashkent, 15 February 1991

**Tajikistan Issues Legislation on Banks, Banking**

**Law on National Bank**

914A0647A Dushanbe KOMMUNIST  
TADZHIKISTANA in Russian 26 Mar 91 p 2

["Law of the Tajik SSR: 'On the Tajik SSR National Bank'"]

[Text]

**Chapter I: General Provisions**

**Article 1: The Tajik Soviet Socialist Republic [SSR] National Bank**

The Tajik SSR National Bank is the central bank of the Tajik SSR and is being set up on the basis of the Tajik republic bank under the USSR State Bank [Gosbank] and its branches. The Tajik SSR National Bank belongs to the Tajik SSR.

**Article 2: The Tajik SSR National Bank Within the Unified System of Central Banks**

The Tajik SSR National Bank is part of the unified system of central banks based on a common monetary unit and exercising the functions of a reserve system.

Mutual relations between the Tajik SSR National Bank and the USSR Gosbank in matters pertaining to use of the common monetary unit on the territory of the Tajik SSR and pursuance of a common monetary policy are defined by the Union treaty.

The activity of the Tajik SSR National Bank outside the framework of the reserve system is regulated by this law and by other legislative enactments of the Tajik SSR.

**Article 3: The Tajik SSR National Bank as a Legal Entity**

1. The Tajik SSR National Bank is a legal entity with its own charter approved by the Tajik SSR Supreme Soviet.

2. The Tajik SSR National Bank represents the Tajik SSR in its relations with the USSR Gosbank and the central banks of other republics and countries, and with

international banks and other finance-and-credit organizations, and it operates in the interests of the Tajik SSR.

3. The Tajik SSR National Bank is not responsible for the obligations of the Tajik SSR except for cases in which it itself assumes such responsibility.

The Tajik SSR is not responsible for the obligations of the Tajik SSR National Bank except for those cases in which it itself assumes such responsibility.

#### **Article 4: Main Tasks of the Tajik SSR National Bank**

The main tasks of the Tajik SSR National Bank are as follows:

- a) insuring the stability of the common monetary unit;
- b) pursuing unified state policy in the field of credit, monetary circulation, accounting, and hard currency relations;
- c) safeguarding the interests of bank creditors and depositors on the basis of the rules governing the activity of commercial banks, and monitoring compliance with those rules;
- d) helping to develop the economy and create the market in the Tajik SSR and its integration into the Union market and the world economy.

#### **Article 5: Functions and Structure of the Tajik SSR National Bank**

1. The Tajik SSR National Bank carries out the following functions:

- a) issues money and organizes monetary circulation;
- b) acts as creditor of last resort for commercial banks;
- c) organizes interbank accounts on the territory of the Tajik SSR;
- d) services the state debt of the Tajik SSR;
- e) conducts operations in the securities market and buys and sells hard currency in the free market in accordance with existing legislation;
- f) jointly with the Tajik SSR Ministry of Finance drafts procedure for execution of the republic budget and local budgets in cash terms;
- g) issues commercial banks licenses to engage in banking operations and hard currency operations;
- h) monitors the activity of the commercial banks.

2. The Tajik SSR National Bank sets up structural subdivisions at the local level to carry out its functions.

#### **Article 6: Enforceable Enactments of the Tajik SSR National Bank**

The Tajik SSR National Bank issues enforceable enactments on matters falling within its competence, and such enactments are binding on all banks in the Tajik SSR.

#### **Article 7: Accountability of the Tajik SSR National Bank**

1. The Tajik SSR National Bank is founded by the Tajik SSR Supreme Soviet. The Tajik SSR National Bank is accountable to the Tajik SSR Supreme Soviet and to organs of state power in the Tajik SSR independent of the executive and administrative organs.

2. The activity of the Tajik SSR National Bank is checked by the appropriate committee of the Tajik SSR Supreme Soviet or by an auditing organization appointed by it.

#### **Article 8: Nominal Capital and Funds of the Tajik SSR National Bank**

The Tajik SSR National Bank has its own share in the nominal capital of the USSR Gosbank as determined by treaty between the USSR and the Tajik SSR.

The Tajik SSR National Bank may have its own nominal capital and special-purpose funds, and procedures for the formation and use of those funds are regulated by its charter.

#### **Article 9: Profits of the Tajik SSR National Bank**

1. The Tajik SSR National Bank is exempt from payment of all kinds of tax, imposts, and state duties.

2. Since it exercises the functions of a reserve system, the Tajik SSR National Bank participates in the formation of the consolidated profits of the USSR Gosbank. Distribution of this profit is done in accordance with established procedure.

3. Profit of the Tajik SSR National Bank not associated with the exercise of functions of a reserve system is distributed in accordance with procedures established by legislation of the Tajik SSR.

#### **Article 10: Accountability of the Tajik SSR National Bank**

1. Each year, no later than 1 April, the Tajik SSR National Bank presents the Tajik SSR Supreme Soviet with a report on its own work, and a balance sheet and a profit-and-loss balance sheet, and summary balance sheets for the republic's banking system.

The balance sheet and profit-and-loss balance sheet for the Tajik SSR National Bank should be verified by an audit organization.

2. The Tajik SSR National Bank publishes its own balance sheet and figures characterizing the status of monetary circulation in the Tajik SSR.

### **Chapter II: The Monetary System in the Tajik SSR**

#### **Article 11: The Monetary Unit of the Tajik SSR**

The official monetary unit on the territory of the Tajik SSR is the ruble. One ruble is made up of 100 kopeks.

**Article 12: Legal Tender**

1. The ruble is the sole legal tender on the territory of the Tajik SSR.
2. Various kinds of promissory notes made out in rubles circulate on the territory of the Tajik SSR.
3. The use of foreign currency, and also of any promissory notes made out in a foreign currency, is permitted on the territory of the Tajik SSR in accordance with the USSR law "On the USSR State Bank."

**Article 13: Issuance of Money (Bank Notes)**

1. The Tajik SSR National Bank issues money and organizes its circulation on the territory of the Tajik SSR.
2. Issuance of money in the Tajik SSR is done in the form of bank notes of the USSR Gosbank and metal coin.

**Article 14: Organization of Circulation of Bank Notes**

The Tajik SSR National Bank organizes circulation of bank notes and their transport and storage, and creates reserve funds and handles the collection of money in the Tajik SSR.

**Chapter III: Money and Credit Regulations**

**Article 15: Management of Money Circulation**

1. Management of money circulation in the Tajik SSR is done by the Tajik SSR National Bank in accordance with the functions of the reserve system, on the basis of the main directions of state money-and-credit policy by means of regulating the volume and structure of money in circulation and monetary assets in the accounts and stocks of legal entities and citizens, and of other unconditional monetary obligations of banks.
2. Regulation of the volume and structure of money in circulation is done by the following means:
  - a) determining the amount of credit being offered by Tajik SSR commercial banks;
  - b) the sale and purchase of securities in foreign currencies;
  - c) determining the standard amount of mandatory reserves placed in the Tajik SSR National Bank by the commercial banks;
  - d) determining the interest rates on loans made by the Tajik SSR National Bank to the commercial banks.

**Article 16: Main Directions in State Money and Credit Policy**

1. The main directions in state money and credit policy in the Tajik SSR are prepared by the Tajik SSR National Bank in cooperation with the government of the Tajik

SSR, and are confirmed by the Tajik SSR Supreme Soviet each year simultaneously with the Tajik SSR State Plan and Budget.

The following are included in the main directions in state money and credit policy in the Tajik SSR:

- a) analysis and forecasting of the economic situation linked to the indicators for social and economic development in the Tajik SSR and the Tajik SSR budget;
- b) economically justified maximum limits on money in circulation;
- c) the main directions in interest rate and hard currency policy;
- d) the main methods for money and credit regulation.

**Article 17: Regulating the Level of Interest Rates**

The Tajik SSR National Bank regulates the level of bank interest rates in the Tajik SSR by means of changing the interest rate for its own loans to commercial banks.

In order to insure that loans are available from banks for particular projects and sectors on preferential terms within the framework of the priority economic programs being implemented by the Tajik SSR Government, or for other reasons, the difference between the prevailing rate and the preferential rate is subsidized from the republic budget.

**Chapter IV: Operations of the Tajik SSR National Bank**

**Article 18: Operations With Banks**

The Tajik SSR National Bank has the right to do the following:

- a) offer commercial banks loans over periods agreed with the borrower;
- b) to buy, sell, and make other deals with promissory notes and checks, signed by three persons obligated with respect to such notes and checks and known to be solvent, payable three months from the date of purchase;
- c) buying, holding, and selling state securities;
- d) making loans for periods not exceeding three months, with guarantees as follows:
  - promissory notes that satisfy the requirements of clause "b" of this article in amounts not to exceed 90 percent of their nominal value;
  - securities as provided for in clause "c" of this article in an amount not exceeding 90 percent of their nominal value.
- e) to buy and sell hard currency and promissory notes made out in a foreign currency offered by Soviet and foreign banks.

**Article 19: Operations in the Securities Market**

In order to regulate money circulation the Tajik SSR National Bank may buy and sell in the securities market promissory notes that satisfy the requirements of clause "b" of Article 18 of this law, and also state securities.

**Article 20: Operations With the Tajik SSR Budget**

The Tajik SSR National Bank may offer loans to the Tajik SSR Ministry of Finance under the usual terms within the limits set by the Tajik SSR Supreme Soviet.

Within those limits the Tajik SSR National Bank may buy state securities from the Tajik SSR Ministry of Finance for subsequent investment. In exceptional cases, the president of the Tajik SSR may give permission for short-term loans for a fixed amount above the limit established, with subsequent approval by the Tajik SSR Supreme Soviet.

**Article 21: Servicing the State Debt**

The Tajik SSR National Bank services the Tajik SSR state debt by conducting operations to float state loans and repay such loans and the interest on them.

**Article 22: Execution of the Union Budget and the Tajik SSR Budget in Cash Terms**

The Tajik SSR National Bank executes the Union budget and the Tajik SSR budget in cash terms through its own institutions and through the commercial banks.

**Article 23: Organization of Accounts Between Banks**

The Tajik SSR National Bank organizes accounts between commercial banks through correspondent accounts [korrespondentskiye schety] opened by these banks in the Tajik SSR National Bank, or by other methods acceptable to the commercial banks.

**Article 24: Operations With Precious Metals and Foreign Currencies**

1. Operations to invest in and store gold and hard currency reserves shown on the balance sheet of the Tajik SSR National Bank are done by it independently.

2. The Tajik SSR National Bank may buy and sell gold and other precious metals in bullion form within the Tajik SSR, and also coins, virgin metal, and other forms on its own account or when assigned to do so by the Tajik SSR Government.

On the territory of the Tajik SSR the Tajik SSR National Bank enjoys a monopoly right to operations involving precious metals, except for jewelry.

3. The Tajik SSR National Bank has the right to engage in any operations involving hard currencies within the USSR and the Tajik SSR and abroad that are authorized by legislation of the USSR and the Tajik SSR and are used in international banking practice.

**Chapter V: Regulation of the Activity of Commercial Banks by the Tajik SSR National Bank****Article 25: Principles of Mutual Relations Between the Tajik SSR National Bank and the Commercial Banks**

Through its activity the Tajik SSR National Bank promotes creation of the general conditions for the functioning of commercial banks and the introduction of principles of honest bank competition.

The Tajik SSR National Bank does not intervene in the day-to-day activity of commercial banks. The regulating and monitoring functions of the Tajik SSR National Bank are restricted by the limits of this law and are aimed at maintaining stability in the money and credit system and safeguarding the interests of bank creditors and investors.

**Article 26: Issuing Licenses for Banking Operations and Foreign Currency Operations**

The Tajik SSR National Bank issues licenses to the commercial banks for banking operations and foreign currency operations in accordance with established procedure.

The Tajik SSR National Bank maintains a republic register of commercial banks.

**Article 27: Standards Set by the Tajik SSR National Bank for Commercial Banks**

1. For the purpose of insuring financial stability and safeguarding the interests of the creditors of the commercial banks, the Tajik SSR National Bank sets the following economic standards for them:

- a) minimum size of nominal capital;
- b) maximum ratio of the size of a bank's own assets to its total assets;
- c) liquidity indexes on balance sheets;
- d) size of mandatory reserves placed in the Tajik SSR National Bank;
- e) maximum degree of risk per borrower;
- f) maximum degree of hard currency, interest rate, and exchange rate risks.

2. The commercial banks hold a residue of assets in reserve accounts in the Tajik SSR National Bank in amounts determined by the mandatory reserve requirements.

**Article 28: Accounting and Accountability in Banks**

1. The rules of bookkeeping for accounting as established by the USSR Gosbank apply in all banks in the Tajik SSR.

2. The Tajik SSR National Bank sets for the commercial banks in the Tajik SSR the numbers and forms of

accountability reports and other information materials needed for it to carry out its analytical and monitoring functions.

**Article 29: Oversight Functions of the Tajik SSR National Bank**

1. The Tajik SSR National Bank monitors compliance by commercial banks located on the territory of the Tajik SSR with banking legislation and enforceable enactments that it issues.

2. The Tajik SSR National Bank may conduct in-depth or sample checks on the operations of commercial banks.

Checks on the activity of commercial banks are conducted by the auditing service of the Tajik SSR National Bank or an audit organization assigned to do so.

**Article 30: Powers of the Tajik SSR National Bank in Dealing With Violations of Banking Legislation**

1. When a violation of banking legislation by a commercial bank is discovered, the Tajik SSR National Bank issues it binding instructions to eliminate the violations discovered within a certain period of time.

2. In cases in which a commercial bank systematically fails to observe economic standards or comply with the prescriptions of the Tajik SSR National Bank with respect to the periods set for and the conditions involved in the elimination of violations, or fails to present accountability reports or presents unauthenticated reports, or in which there is unprofitable activity, or in which a situation arises that threatens the interests of a bank's investors and creditors, the Tajik SSR National Bank may do the following:

a) raise with the founders (or part owners) of the bank the question of taking steps to restore the bank to financial health or to reorganize or liquidate the bank;

b) apply sanctions in the form of:

—imposition of a monetary fine equal in amount to the additional income obtained as the result of the bank's unlawful activity;

—an increase the size of mandatory reserves;

—appointment of an interim administration to manage the bank for the period needed to restore it to financial health;

—revocation of the license to engage in banking operations.

**Article 31: Procedure for Settling Disputes**

Decisions reached by the Tajik SSR National Bank in accordance with procedure for its functions with respect to issuing licenses and monitoring may be questioned by the commercial banks (or their founders) in the courts or by Tajik SSR state arbitration according to affiliation.

**Chapter VI: Organization of Management in the Tajik SSR National Bank**

**Article 32: Management of the Tajik SSR National Bank**

The leading organ of the Tajik SSR National Bank is the board, headed by its chairman. The board resolves all issues of principle relating to the activity of the bank in accordance with this law and the bank's charter.

**Article 33: Composition of the Board of the Tajik SSR National Bank**

1. The board of the Tajik SSR National Bank is made up of seven persons, who are the chairman of the bank and his deputies, and the members of the board.

The chairman of the Tajik SSR National Bank and his deputies are appointed by the Tajik SSR Supreme Soviet in accordance with representation from the chairman of the Tajik SSR Supreme Soviet. The members of the board of the Tajik SSR National Bank are appointed by the Tajik SSR Supreme Soviet in accordance with representation from the chairman of the Tajik SSR National Bank.

2. The chairman of the Tajik SSR National Bank and his deputies and the members of the board may be relieved of their duties by the Tajik SSR Supreme Soviet or at their own request, and also in the event of sickness and inability to carry out their obligations in accordance with the charter of the Tajik SSR National Bank.

**Article 34: The Chairman of the Tajik SSR National Bank**

1. The chairman of the Tajik SSR National Bank does the following:

a) heads the work of the board of the Tajik SSR National Bank and signs its decisions;

b) submits to the Tajik SSR Supreme Soviet the draft main directions in state money and credit policy for the Tajik SSR and the annual report of the Tajik SSR National Bank;

c) issues enforceable enactments and other instructions falling within the competence of the Tajik SSR National Bank;

d) represents the Tajik SSR National Bank in the republic and country and abroad.

2. In the absence of the chairman of the Tajik SSR National Bank his functions are exercised by the first deputy.

[Signed] K. Makhkamov, president of the Tajik SSR

21 February 1991, Dushanbe City

**Law on Banks, Banking Activities**

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["Law of the Tajik SSR: 'On Banks and Banking Activity in the Tajik SSR'"]

[Text]

**Chapter I: General Provisions****Article 1: The Concept of the Bank**

A bank is an institution created to attract monetary assets and to invest them on its own behalf under conditions of repayability, set installments, and set period for repayment.

A bank is a legal entity and has its own charter and operates on the principles of full cost accounting.

The term "bank" or other combination of words used with the term may be used as part of the name of a company or for purposes of advertising only by institutions that have the right to engage in banking operations in accordance with this law.

**Article 2: Banking Operations**

Banks accept and invest monetary deposits, take and offer loans, and keep accounts when so instructed by clients and correspondent banks and their cashier services.

Banks may also engage in other operations that are not at variance with the law and for which provision is made in their charters, in particular all or some of the following:

- a) managing accounts for clients and correspondent banks;
- b) financing capital investments on the instructions of owners or those handling investment assets;
- c) issuing promissory notes and other securities (checks, letters of credit, notes of hand, shares, bonds, and others);
- d) buying, selling, and holding promissory notes and other securities, and other operations with them;
- e) issuing guarantees and securities [garantii] and other bonds for third parties, providing for execution in monetary form;
- f) acquiring chose in action for goods delivered and services rendered, and risk-taking in bringing such actions and collecting on them (factoring);
- g) buying and selling foreign currency with organizations and citizens;
- h) buying and selling precious metals, natural gem stones, and articles made from precious metals and gem stones, both within the republic and abroad;

i) attracting and disposing of assets of previous metals in accounts and in investments in other operations with these valuables in accordance with international banking practice;

j) engaging in operations on behalf of clients (attracting and disposing of assets, management of securities, and so forth);

k) providing consulting services related to banking activity.

Operations provided for in this article may be conducted both in rubles and in foreign currencies.

2. Banks are obligated to conduct operations with respect to execution of the Union budget and the Tajik SSR budget in cash terms when so assigned to do by the Tajik SSR National Bank.

3. Banks are prohibited from engaging in activity in the sphere of material production and trade in material values, and also from all kinds of insurance.

**Article 3: Delineation of the Responsibility of the State and of Banks**

Banks in the Tajik SSR are not responsible for the obligations of the state, and the state is not responsible for the obligations of banks, except in cases as provided for by this law and by other legislative enactments of the Tajik SSR, and in cases in which the banks or the state assume such responsibility.

**Article 4: The Banking System in the Tajik SSR**

The banking system in the Tajik SSR includes the following:

- a) the Tajik SSR National Bank and its institutions.

The activity of the Tajik SSR National Bank is regulated by the Tajik SSR law: "On the Tajik SSR National Bank," and in matters pertaining to execution of functions with respect to the reserve system, also by the USSR law: "On the USSR State Bank."

The provisions of this law are applied to the Tajik SSR National Bank in cases directly covered by this law;

- b) the commercial banks.

The activity of the commercial banks in the Tajik SSR is regulated by this law and by other laws of the Tajik SSR.

The activity of the banks in which foreign capital is involved, and of banks whose nominal capital belongs in part to foreign participants (referred to hereinafter as "foreign banks"), and also branches of banks of other countries, is regulated by, in addition to this law, by legislative enactments of the Tajik SSR dealing with foreign investments.



**Article 5: Commercial Banks and Kinds of Commercial Banks**

1. Commercial banks provide credit and accounting and other banking services on contractual terms for legal entities and citizens by conducting operations and providing services as provided for in Article 2 of this law.

2. Commercial banks are distinguished as follows:

- by the ownership of nominal capital and the method whereby it is formed—in the form of joint-stock companies and limited companies, with the participation of foreign capital—foreign banks, and so forth;
- according to kinds of operations conducted—universal and specialized;
- according to the territory of activity—all-Union, republic, regional;
- according to sector orientation.

3. In order to finance major republic and other goal-oriented programs and to offer loans on preferential terms to individual sectors of the republic's national economy, specialized state or commercial banks may be set up in the Tajik SSR in accordance with the procedure and under the conditions stipulated by legislative enactments of the Tajik SSR.

**Article 6: Nominal Capital of a Bank**

Nominal capital of a bank may be formed by contributions from owners in the form of shares, or by issuing shares.

**Article 7: Charters of Commercial Banks**

1. Commercial banks operate in accordance with their charters, which are adopted by a meeting of owners (or shareholders).

2. A bank charter should include the following:

- a) the name of the bank and its location (postal address);
- b) a list of the operations conducted by the bank;
- c) the size of nominal capital and a list of other funds formed by the bank;
- d) a provision stating that the bank is a legal entity;
- e) provisions on the bank's management organs and their structure and the procedure for forming them, and their functions.

The charter may also include other provisions relating to the particular features of the bank's activity, which should not be at variance with the law.

**Article 8: Independence of Commercial Banks**

Commercial banks are independent of executive and administrative organs of state power and management in the republic when they reach decisions associated with day-to-day banking activity.

Workers in organs of state power and management are not permitted to participate in the management organs of a bank, including participation by way of holding more than one position.

**Article 9: Unions and Associations of Commercial Banks**

Within the Tajik SSR commercial banks may create unions and associations and other combinations to coordinate their activity and safeguard their interests.

**Chapter II: Procedure for Opening and Closing Commercial Banks**

**Article 10: Founders and Shareholders (Part Owners) of Commercial Banks**

Legal entities and citizens may be founders and shareholders (part owners) of commercial banks, except for soviets of people's deputies at all levels and their executive committees, political organizations, and specialized public foundations. The proportion of ownership of any founder or shareholder (part owner) should not exceed 35 percent of the size of nominal capital.

**Article 11: Licensing Procedure for the Activity of Commercial Banks**

Commercial banks engage in their activity on the basis of licenses to conduct banking operations obtained from the Tajik SSR National Bank.

**Article 12: Documentation Needed To Obtain a License**

In order to obtain licenses to engage in banking operations the following documents must be submitted:

- a) an application for the issuance of a license;
- b) constituent documents: the constituent contract, the bank charter, the record of adoption of the charter and appointment of the bank's leading organs;
- c) economic justification;
- d) a report from an auditing organization on the financial status of the founders;
- e) information about the professional suitability of the managers (the chairman and the chief bookkeeper) of the bank being proposed by the founders;
- f) other documents as provided for by the legislation of the Tajik SSR.

**Article 13: Additional Documentation To Obtain a License for a Bank in Which Foreign Capital, Foreign Banks, or Branches of a Bank in a Foreign Country Are Involved**

In order to obtain a license to engage in bank operations with the involvement of foreign capital, a foreign bank, or the branch of a bank in a foreign country, in addition to the documents described in Article 12 of this law the following documents, authenticated in accordance with established procedure, are submitted:

a) by foreign legal entities:

- the decision of the appropriate organ of the foreign founder (or part owner) to participate in setting up a bank on the territory of the USSR or in opening a branch of a bank;
- the written agreement of the control organ in the country that is the place of residence of the foreign founder (or part owner) that he may participate in setting up a bank on the territory of the Tajik SSR or open a branch of a bank in cases in which provision is made for this by the legislation of the corresponding country;

b) by foreign citizens:

- confirmation from a first-class bank that the individual is solvent;
- references from at least two foreign legal entities or citizens known to be solvent.

**Article 14: Powers of the Tajik SSR National Bank With Respect to the Size of Capital of Foreign Banks and Banks With Foreign Capital**

In order to insure equal competitive conditions for all commercial banks the Tajik SSR National Bank may impose additional requirements on founders of foreign banks and banks with foreign capital with respect to minimum and maximum sizes for nominal capital.

**Article 15: Period for Consideration of Application**

1. Applications for licenses are considered by the Tajik SSR National Bank within a period not exceeding one month from the time that the application and all the documents as provided for by this law are received, in order to issue licenses.
2. In the event that the Tajik SSR National Bank exceeds this period for consideration of applications, it pays the founders of a commercial bank a fine in the amount of 0.01 percent of the nominal capital being proposed for the commercial bank for each day of delay.
3. An application is deemed to have been considered on the day that the decision on it is made known to the founders of a commercial bank.

**Article 16: The Basis for Refusing To Issue a License To Engage in Banking Operations**

1. The Tajik SSR National Bank may refuse to issue a license to engage in banking operations for any of the following reasons:
  - a) discrepancy between the constituent contract and the charter and existing legislation in the Tajik SSR;
  - b) the unsatisfactory financial status of the founders (in accordance with the report from the auditing organization), threatening the interests of bank investors and creditors.

2. The Tajik SSR National Bank may also refuse to issue a license to engage in banking operations if it concludes that the bank managers are professionally unsuited. The bank managers (the chairman and the chief bookkeeper) should have a spotless business reputation and experience in bank work.

**Article 17: Registration of Commercial Banks**

1. Simultaneously with the issuance of a license to engage in banking operations, the Tajik SSR National Bank registers a commercial bank and gives it a registration number.
2. A commercial bank obtains the status of a legal entity from the moment that it is registered.
3. The Tajik SSR National Bank reports to the board of the USSR Gosbank concerning the registration of commercial banks and forwards copies of the licenses it has issued to be entered in the All-Union Register of Commercial Banks.
4. Commercial banks need not be registered with the executive committees of rayon or city soviets of people's deputies.

**Article 18: Procedure for Commercial Banks To Open Branches and Offices on the Territory of the Tajik SSR**

1. Commercial banks may open branches and offices on the territory of the Tajik SSR; these must be registered with the Tajik SSR National Bank. In order to register a branch or office the commercial bank reports its own registration number to the Tajik SSR National Bank.
2. Branches and offices of commercial banks may engage in banking operations only from the time that they are registered.
3. The Tajik SSR National Bank reports the opening of a branch or office of a commercial bank to the board of the USSR Gosbank so that the branch or office may be entered in the All-Union Register of Commercial Banks.

**Article 19: Foreign and Joint-Venture Banks and Their Branches and Offices**

The following may operate on the territory of the Tajik SSR:

- a) banks whose nominal capital is formed by the assets of foreign legal entities and citizens;
- b) joint-venture commercial banks in which Soviet and foreign organizations participate;
- c) branches and offices of foreign banks.

When foreign or joint-venture banks are set up, one of the foreign founders must be a bank.

The activity of banks, branches, and offices covered by this article is regulated by the laws of the Tajik SSR.

**Article 20: Reasons for Revoking a License To Engage in Banking Operations**

1. The Tajik SSR National Bank may revoke a license to engage in banking operations in the following cases:

- a) when the information on which the issuance of the license was based is found to be inadequate;
- b) when there is a delay of more than one year from the date that the license is issued to the start of activity;
- c) when operations are conducted that are banned by Article 2 of this law, and also operations that exceed the limits of the special legal capacity of a commercial bank as provided for by its charter;
- d) on grounds as provided for by Article 30 of the Tajik SSR law "On the Tajik SSR National Bank";
- e) when violations by the bank of the requirements of antitrust legislation are found.

2. Revocation of license operates as a decision to liquidate the bank.

Revocation of license is an extreme step that as a rule should be preceded by warning measures aimed at eliminating violations that have been permitted.

**Article 21: The Obligation of a Commercial Bank To Inform the Tajik SSR National Bank About Changes in Constituent Documents**

Commercial banks are obligated to inform the Tajik SSR National Bank within one month of changes made to constituent documents, attaching notarized copies of altered documents. If changes in constituent documents provide grounds for revocation of license as provided for in Article 16 of this law, a license may be revoked with the consequences as described in Article 20 of this law.

**Article 22: Closing Down a Commercial Bank**

A commercial bank is closed down in accordance with the legislation covering joint-stock companies and limited companies, and also in cases as provided for by this law and by the Tajik SSR law: "On the Tajik SSR National Bank."

**Article 23: Procedure for Appeals and Settling Disputes**

Commercial banks or their founders may appeal in the courts or in the system of state arbitration with respect to decisions reached by the Tajik SSR National Bank under the procedure whereby it exercises its functions of licensing and control.

**Chapter III: Insuring the Financial Stability of a Bank and Protecting the Interests of Its Clients**

**Article 24: Observance of Economic Standards by Commercial Banks**

In order to insure the financial stability of the banks and protect the interests of their clients, commercial banks

observe the economic standards established by the Tajik SSR National Bank, and also set up insurance and reserve funds.

**Article 25: Banking Privacy**

1. Banks in the Tajik SSR guarantee privacy with respect to operations, accounts, and investments of their clients and correspondents. All bank employees are obliged to maintain privacy with respect to operations, accounts, and investments of its clients and correspondents.

2. Information on the operations and accounts of legal entities and other organizations may be provided by the organizations themselves to state tax inspection agencies, the courts, investigating agencies, arbitration bodies, and auditing organizations.

3. Information on accounts and investments of citizens is provided, in addition to the clients themselves and their representatives, to the courts and to investigating agencies with respect to matters falling within their proceedings, in cases in which attachment is sought of monetary assets and other valuables belonging to clients, or against whom suit is brought, or whose property is confiscated.

4. Information about accounts and investments in the event of the death of their owners is provided to the persons named as the owners of those accounts or investments in a bank in a will, and to state notarial offices insofar as their proceedings with respect to matters of inheritance are concerned with respect to the investments of the deceased, and also foreign consular establishments.

**Article 26: Distraint and Levy of Execution Upon Monetary Assets and Other Valuables Held in Banks**

1. The monetary assets and other valuables of legal entities and foreign and international organizations held in banks are not subject to distraint except by a court ruling or by resolution of the investigating organs or arbitration organs, and levy of execution may be made only in accordance with lists of execution issued by the courts, and documents of execution, and also on demand from the state tax inspectorate.

2. Distraint or levy of execution may be made upon the monetary assets and other valuables belonging to citizens and held in the banks only on the basis of a court sentence or ruling.

Confiscation of monetary assets and other valuables may be done on the basis of a sentence being legally carried out, or of a resolution on confiscation of property submitted in accordance with the law.

**Chapter IV: Relationships Between Banks and Clients Served By Commercial Banks**

**Article 27: Interbank Deposit, Credit, and Other Operations**

1. The commercial banks may on the basis of contract attract and handle assets among themselves in the form

of deposits and credits, and engage in other mutual operations as envisaged by their charters.

2. In the event of lack of funds to offer credit to clients and meet contractual obligations, commercial banks may turn to the Tajik SSR National Bank for credits.

Procedure for and conditions of such credits are defined by the Tajik SSR National Bank.

#### **Article 28: Interest Rates for Loans From Commercial Banks**

Interest rates and the size of commissions paid with respect to operations by commercial banks are set by the banks independently giving due consideration to the provisions contained in Article 17 of the Tajik SSR law "On the Tajik SSR National Bank."

#### **Article 29: The Contractual Nature of Relationships Between a Bank and Its Client**

1. Relationships between banks and clients are contractual in nature.

2. Clients select their banks independently for loan and accounting and cash services, and they may be provided with all kinds of banking operations by one or several banks.

#### **Article 30: Antitrust Rules**

1. Banks may not use their own unions, associations, or other combinations to reach agreements aimed at gaining a monopoly in the market for banking operations with respect to matters of interest rates and the sizes of commissions paid in order to restrict competition in the banking business.

2. Compliance with antitrust rules is monitored by the Tajik SSR National Bank, and also by organs created in accordance with antitrust legislation.

#### **Article 31: Clearance Methods**

Banks use clearance methods in the national economy in forms established by the USSR Gosbank, and also in forms accepted in international banking practice.

#### **Article 32: Guarantees for Repayability of Loans**

1. Banks accept securities, guarantees and bonds, and other instruments accepted in banking practice as collateral for prompt repayment of loans.

2. Banks may decide to offer loans without collateral (bank credit).

#### **Article 33: Declaring a Borrower Insolvent**

1. A borrower—legal entity—who fails to meet his obligations to make prompt repayment of loans received may be declared insolvent.

2. The bank informs chief creditors, its own higher organ, and the executive committee of the soviet of people's deputies in which the enterprise, or founders (or part owners) of the borrower is registered, of the declaration of insolvency of a borrower.

#### **Article 34: Steps Taken With Respect to a Borrower Who Is Declared Insolvent**

1. At the initiative of the bank the following steps may be taken against a borrower who is declared insolvent:

a) transfer of immediate management to an administration that is appointed with the involvement of a bank creditor;

b) reorganization.

2. Steps proposed by the bank are implemented according to the legal status of the borrower by his higher organ or by the executive committee of the soviet of people's deputies of the founders (or part owners).

### **Chapter V: Foreign Economic Activity By Banks**

#### **Article 35: Banking Operations in Hard Currency**

Commercial banks may engage in hard currency operations under license from the Tajik SSR National Bank.

The rules for issuing licenses to engage in hard currency operations are established by the USSR Gosbank.

#### **Article 36: Branches and Offices of Banks Abroad**

Banks may open their own branches abroad with the permission of the Tajik SSR National Bank; when offices are opened abroad the Tajik SSR National Bank is to be informed.

The Tajik SSR National Bank informs the USSR Gosbank Board when such permission is granted, and it also sends summary statistical figures on the operations of overseas branches of the commercial banks.

### **Chapter VI: Savings in the Tajik SSR**

#### **Article 37: Savings Deposited by the Public**

1. Savings deposited by the public in the Tajik SSR may be accepted by specialized savings banks and commercial banks.

2. Banks independently set the conditions under which they engage in operations involving deposits from the public.

In order to insure stability of monetary circulation and prevent inflation, the Tajik SSR National Bank may introduce restrictions in accordance with the Tajik SSR law "On the Tajik SSR National Bank."

3. Income derived from deposits is tax free.

4. Acceptance of deposits is done by banks, which issue a deposit slip to depositors.

**Article 38: Obligations of Banks To Insure the Safekeeping of Deposits**

Commercial banks that accept deposits from the public must use such funds in such a way as to insure the safekeeping of those assets and timely compliance with their obligations vis-a-vis depositors.

To this end, except for the USSR Savings Bank, commercial banks are obliged to create interbank insurance funds for deposits from the public in accordance with procedure and under conditions set by the Tajik SSR National Bank.

**Article 39: Labor Savings Banks and Loans for the Population of the USSR**

The activity of labor savings banks and the provision of loans to the population of the USSR are regulated on the territory of the Tajik SSR by Article 38 of the USSR law: "On Banks and Banking Activity."

**Article 40: Depositors**

1. Citizens of the USSR, foreign citizens, and stateless persons may be depositors.
2. Depositors are free in their choice of bank to hold their savings, and they may have deposits in one or several banks.
3. Depositors may manage their deposits and receive income on deposits in the form of interest or in some other form proposed by the banks, and may have clearing accounts.
4. A depositor has the right to instruct the bank to transfer his deposits to any person or state in the event of his death.

With respect to a deposit for which no instructions have been issued in the event of the depositor's death, the banks may transfer such deposit to the heirs in accordance with procedure as established by law.

**Article 41: Rights of Minors With Respect to Deposits**

1. A minor who has personally made a deposit in his own name may dispose of that deposit independently.
2. Deposits made by some other person on behalf of a minor are disposed of as follows:
  - a) if the minor has not yet attained the age of 15 years: by the parents or other legal representatives of the minor;
  - b) if the minor has attained the age of 15 years: by the minor himself, but with the agreement of his parents or other legal representatives.

**Chapter VII: Accounting and Accountability in Commercial Banks and Monitoring Their Activity**

**Article 42: Accounting and Accountability in Commercial Banks**

Rules for bookkeeping in commercial banks are established by the USSR Gosbank, and the forms of

accounting and other materials submitted by them to the Tajik SSR National Bank are established by the Tajik SSR National Bank.

**Article 43: Publication of Annual Balance Sheets and Profit-and-Loss Balance Sheets**

Commercial banks in the Tajik SSR publish an annual balance sheet and profit-and-loss balance sheet in forms and at the times established by the Tajik SSR National Bank after the authenticity of the information presented in them has been verified by an auditing organization.

**Article 44: Oversight by the Tajik SSR National Bank**

The Tajik SSR National Bank monitors the activity of commercial banks in accordance with the Tajik SSR law "On the Tajik SSR National Bank."

**Article 45: Audit Checks**

The activity of commercial banks in the Tajik SSR is subject to checks by auditing organizations empowered in accordance with the legislation on the conduct of such checks.

**Chapter VIII: Special Features in the Application of This Law**

**Article 46: Special Features in the Application of the Law**

1. The force of this law does not extend to banks located in the Tajik SSR set up on the basis of international treaties of the Tajik SSR.
2. The force of Article 2 of this law applies to the Tajik SSR National Bank within the limits set by its charter.
3. The force of Articles 25 and 26 of this law also applies to the Tajik SSR National Bank.

*[Signed] K. Makhkamov, president of the Tajik SSR, 21 February 1991, Dushanbe City*

**Decree on Implementation of Laws**

914A0647C Dushanbe KOMMUNIST  
TADZHIKISTANA in Russian 26 Mar 91 p 3

[Decree of the Tajik SSR Supreme Soviet: "On Implementation of the Tajik SSR Law 'On the Tajik SSR National Bank' and the Tajik SSR Law: 'On Banks and Banking Activity in the Tajik SSR'"]

[Text] The Tajik SSR Supreme Soviet decrees:

1. To bring into force the Tajik SSR law: "On the Tajik SSR National Bank" and the Tajik SSR law: "On Banks and Banking Activity in the Tajik SSR" from the moment of their publication.
2. Henceforth, until legislation of the Tajik SSR is passed in accordance with the Tajik SSR law: "On the Tajik SSR National Bank" and the Tajik SSR law: "On Banks

and Banking Activity in the Tajik SSR," existing acts of legislation shall be applied insofar as they deal with banks and banking activity provided that they are not at variance with these laws.

3. Banks in the Tajik SSR registered by the USSR Gosbank as commercial banks are deemed to be empowered to engage in operations in accordance with the Tajik SSR law: "On Banks and Banking Activity in the Tajik SSR" from the day that the aforementioned laws go into force.

4. The Tajik SSR National Bank is ordered as follows:

a) within a period of two months to submit to the Tajik SSR Supreme Soviet the personnel makeup of the board and the charter of the Tajik SSR National Bank;

b) before the end of 1991 to insure the creation of an auditing organization to check the activity of commercial banks. Henceforth, until the creation of the auditing organization, its functions are to be exercised by the auditing service of the Tajik SSR National Bank.

5. The president of the Tajik SSR will submit a proposal to the USSR Federation Council to have the Tajik SSR National Bank included as part of the USSR Gosbank Central Council.

6. The Tajik SSR Cabinet of Ministers will do the following:

a) bring decisions of the government of the Tajik SSR into line with the Tajik SSR law: "On the Tajik SSR National Bank" and the Tajik SSR law: "On Banks and Banking Activity in the Tajik SSR";

b) insure review and rescission by ministries, state committees, and administrations of the Tajik SSR of enforceable enactments that are at variance with the aforementioned laws of the Tajik SSR.

7. The Tajik SSR Cabinet of Ministers and the Tajik SSR National Bank will do the following before 1 July 1991:

a) submit to the Tajik SSR Supreme Soviet proposals on bringing legislative enactments of the Tajik SSR into line with the Tajik SSR law: "On the Tajik SSR National Bank" and the Tajik SSR law: "On Banks and Banking Activity in the Tajik SSR";

b) insure the preparation of enforceable enactments on procedure for investment, pension, and insurance foundations, brokerage and leasing companies, and other specialized financial institutions engaged in particular kinds of banking operations to engage in such operations.

8. To make provision in the Tajik SSR Supreme Soviet Secretariat for a group of banking and securities experts to help the Tajik SSR Supreme Soviet in a practical way to exercise the functions stemming from the Tajik SSR

law: "On the Tajik SSR National Bank" and the Tajik SSR law: "On Banks and Banking Activity in the Tajik SSR."

*[Signed] K. Aslonov, chairman of the Tajik SSR Supreme Soviet, 26 February 1991, Dushanbe City*

## Moldova Issues Legislation on Defense of Populace

### Text of Decree

914A0662A Kishinev SOVETSKAYA MOLDOVA  
in Russian 2 Apr 91 pp 1-2

[Decree of the Moldovan SSR Government: "On Measures for the Social Protection of the Populace of the Moldovan SSR in Connection With the Reform of Retail Prices"]

[Text] In order to implement measures for the social protection of the populace in connection with the reform of retail prices for consumer goods and services, by agreement with the Moldovan Federation of Independent Trade Unions, the Government of the Moldovan SSR decrees:

#### I. In the area of retail price reform

1. To introduce as of 2 April 1991 within the Moldovan SSR new state retail prices for basic consumer goods and new rates for services in accordance with Appendix No 1.

2. Not to raise existing state retail prices for medicines and medical products, coffee, fabrics made of synthetic fibers and items made from those fabrics; prices for footwear made of synthetic materials, fur and knit items, socks and stockings, and toys; prices for gasoline, kerosene, electricity, gas, coal, heating fuel and firewood allocated to the public; and prices for vodka.

3. In order to limit the increases in retail prices, to preserve for 1991 the subsidies for meat, dairy and fish products, medicines, gas, coal and firewood when they are sold to the public; subsidies for the basic types of housing and municipal services; and subsidies to light industry for natural silk.

4. To grant the Moldovan SSR Ministry of Trade the right to establish maximum amounts for markups in public food services in view of new wholesale and retail prices, rates, and social-security contributions, and trade discounts; and to grant the executive committees of city soviets the right to determine the specific amounts of markups for different categories of enterprises in accordance with the maximum levels.

5. To establish a list of consumer goods sold to the public at regulated retail prices in accordance with Appendix No 2. The regulation of prices is to be carried out by instituting maximum price levels or maximum amounts of increases over listed retail prices, or according to other

procedures established by the agency that, in accordance with existing legislation, has the authority to approve prices.

The Moldovan SSR Ministry of the National Economy is to approve maximum levels of prices or amounts of price increases and convey them to all interested republic ministries, state departments, services, inspectorates, organizations and enterprises.

6. To authorize enterprises and organizations providing services to the public, except for certain housing and municipal services (water supply, sewerage, and central heating), to establish prices (rates) on the basis of economically warranted expenditures and up to 30-percent profitability.

7. To establish a list of consumer goods of domestic and imported production, as well as of services, that are sold (or provided) to the public at contractual (unregulated) retail prices in accordance with Appendix No 3.

The Moldovan SSR Ministry of Finance is to establish rates for the turnover tax on goods that are produced by republic enterprises and sold at contractual (unregulated) prices, as well as procedures for changing those rates.

In the event of the unwarranted increase in contractual (unregulated) prices, the Moldovan SSR Ministry of the National Economy is to make a decision on a temporary (up to one year) return to the state regulation of prices and rates.

8. To revoke existing procedures for the establishment of contractual and temporary retail prices for consumer goods with the indexes "D" and "N."

9. The Moldovan SSR Ministry of the National Economy, together with the Moldovan SSR Ministry of Finance and Moldovan SSR Ministry of Trade is, within a one-week period, to establish procedures for revaluing goods on the republic products list by the date that new state retail prices, both unregulated and regulated, take effect. Moneys from the revaluation of goods are to be assigned to the republic budget.

10. The Moldovan SSR Ministry of the National Economy and the republic's rayon and city soviet executive committees, together with appropriate trade agencies, are to see that the new lists of state retail prices and rates, instructions on revaluation and the procedures for the formation and application of retail prices for consumer goods, and other normative documents necessary for timely and properly performed work on introducing the new retail prices and rates are conveyed to all interested organizations and enterprises.

11. The Moldovan SSR Ministry of the National Economy, Moldovan SSR Ministry of finance, Moldovan SSR Economic Police, and the republic's rayon and city soviet executive committees are to ensure effective state oversight of the establishment and application of retail prices for consumer goods and services.

12. To supplement the list of domestic-made and imported consumer goods sold to the public at contractual (unregulated) retail prices that was confirmed by the 30 December 1990 decree No 456-3 of the Moldovan SSR Government.

## **II. In the area of the social protection of the populace, in connection with the change in retail prices**

13. In the implementation of comprehensive measures for the social protection of the populace, to proceed from the unconditional observance of the constitutional rights of the republic's citizens to work and fair pay, and their equality before the law.

Compensation to the republic's populace for additional expenditures caused by the change in retail prices is to be made according to the following basic principles:

- full compensation for the increased cost of foodstuffs, underwear, common types of fabric, garments and footwear, items of personal hygiene and tobacco products, building materials, furniture, wallpaper, dishware, household chemicals and certain other types of goods, as well as passenger fares on transportation;
- full compensation for the increased cost of children's goods, with pertinent funds specifically allocated to families having minor children;
- the establishment of amounts of payments from the budget and other sources that are differentiated by social and demographic groups of the population, with priority in material support going to socially vulnerable segments, especially children, young people who are students, disabled persons, pensioners, and young, single-parent and large families;
- the increasing of employees' wages (or pay) with a simultaneous reduction in taxes on the profits of enterprises (or kolkhozes) and on citizens' income;
- the increasing of the amounts of all types of pensions, allowances and other social payments, as well as the expansion of the range of people receiving state material support, to be paid for out of the Moldovan SSR Social fund;
- full compensation for increased expenditures for social services to the population in hospitals, boarding schools, schools, houses for the aged and disabled, and preschool and other institutions in the social sphere;
- the supplementing of monetary compensation to low-income segments of the population with various types of social assistance, especially assistance in kind, provided by local agencies.

To establish that:

- the amounts of compensatory sums are to be determined on the basis of the population's actual use of goods and services from state resources in 1990:

—the first payments of compensation to students, pensioners, children and other persons receiving social pensions and allowances are to be paid in advance, prior to the date on which new prices for consumer goods and services are introduced.

**The procedures and minimum guaranteed amounts of increases in the incomes of the populace**

**For employed citizens**

14. State enterprises, organizations and institutions are to carry out a revision of existing wage and salary rates with a view to compensating working people for the increased costs of everyday goods and services.

Wage and salary rates are to be increased according to procedures and amounts established by enterprise managements in consultation with trade-union committees, with due regard for the basic principles established in Point 13 of this decree, but by no less than 65 rubles a month.

In order to provide advance compensation in connection with the price increases, the first payments are to be made, if necessary, in the form of special supplements to wages and salaries in a separate category in absolute amounts, with these sums to be subsequently incorporated into wage and salary rates.

It is recommended that collective and cooperative farms and public organizations increase employees' pay in light of the principles established by this decree for state enterprises and organizations.

15. Henceforth, until the Moldovan SSR Supreme Soviet's adoption of legislative acts on the establishment of a new level of minimum wage and the conclusion of wage-rate agreements between enterprise managements and trade unions (or other agencies authorized by labor collectives), the wage and salary rates for 1992 are to be considered those confirmed by the Moldovan SSR Government's 12 February 1991 Decree No 73: "On the Pay of Employees Under Labor Contract at Moldovan SSR Enterprises and in Moldovan SSR Associations and Organizations," increased by 65 rubles according to Point 14 of this decree, and by state guarantees of minimum pay levels for specific vocational and skill groups, with the observance of length of work time and of an employee's work commitments (labor norms) established by legislation.

16. To establish that after wage and salary rates are increased in accordance with Point 14 of this decree, enterprises are to independently set higher wage and salary rates for employees, while preserving existing correlations in amounts of wages and salaries within categories of personnel.

The aforementioned rights are to be exercised using, and within the limits of, moneys allocated for pay. In this connection the base pay fund used for calculating the consumption fund for 1991 is to be increased by the

amount of the minimum increase in wage and salary rates specified by Point 14 of this decree.

Enterprises, organizations and institutions financed out of budgets are to exercise the aforementioned rights within the limits of moneys allocated for these purposes.

17. The effect of Points 14, 15 and 16 of this decree is extended to employees who have entered into labor relations on terms of hiring with enterprises, organizations and institutions of all forms of ownership.

**For families with children**

18. In order to maintain the living standard of families with children, to increase the existing amounts of social allowances to such families by an average of 60 to 80 percent, and also to introduce special compensation for children under the age of 16 who have previously not received allowances, and for students under the age of 18 who are not receiving stipends.

19. To deem it advisable to maintain the existing procedures for calculating amounts of social payments as percentages of the established minimum wage. Until the confirmation of a new minimum wage level, to establish the following state guaranteed minimum amounts of existing allowances to families with children:

1) 250 rubles in lump-sum allowance upon the birth of each child;

2) 110 rubles in monthly allowance:

—for the care of a child up to the age of 18 months, for working mothers with a one year of employment (and for women under 18 years of age, regardless of length of employment), and also for mothers who are studying with leave from work. In the case of the birth of two or more children, the allowance is to be paid for each child;

—for the children of military personnel performing mandatory service;

—for children under guardianship;

—for children of single mothers (and widows and widowers) who are former inmates of children's homes (or of boarding schools);

—for children under the age of 16 who have been infected with the virus of an immune-deficient person, or children who are ill with AIDS;

3) 90 rubles in monthly allowances:

—for single mothers with children ages six 16 (or up to 18 in the case of students who are not receiving stipends);

—for children ages six 18 whose parents evade the payment of support, or in other cases stipulated by legislation in which the recovery of support payments is impossible;



4) 80 rubles in monthly allowances:

- for the care of a child up to 18 months, for working women who have not had a year of employment, and for nonworking women. In the case of the birth of two or more children, the allowance is to be paid for each child;
- for children ages 18 months to six years. In this connection the limit of total monthly income per family member used to determine the right to an allowance is to be increased to 280 rubles;
- for single mothers having children under the age of six years;
- for children under the age of six whose parents evade the payment of support, or in other cases stipulated by legislation in which the recovery of support payments is impossible.

20. To establish monthly payments in the amount of 45 rubles for children under the age of 16 years who are not receiving allowances and pensions under the existing social security system (under the age of 18 in the case of students in higher, secondary specialized and vocational-technical educational institutions with regular daytime classes);

21. To introduce compensatory payments to families with minor children in connection with the increased cost of children's goods, in the following amounts per year:

- for children under the age of six years—at least 200 rubles;
- for children ages six 13 years—at least 240 rubles;
- for children ages 13 to 18—at least 280 rubles.

To allocate for these purposes all of the earnings from price increases for children's goods, as well as part of the moneys received in connection with the increase in prices for underwear and common types of garments and footwear.

Payment of the aforementioned compensation is to be made quarterly in equal shares.

22. Payment of the compensations established in Points 19, 20 and 21 of this decree is to be made at the mother's principal place of employment, and in the event that the mother is not employed—at the principal place of employment of the father or person taking the parents' place. In other cases the compensations are to be paid out in the social security agencies for the places of residence of parents with a child or of persons taking the parents' place.

The payments established in Points 20 and 21 of this decree are to be made to families with children whose total income per family member does not exceed 280 rubles.

The payment of allowances and compensations due is to be made simultaneously.

23. To establish compensation in the amount of 65 rubles per month for graduate students, students in higher and secondary specialized educational institutions and vocational-technical schools (with regular day-time classes).

**For pensioners, disabled persons and family members who have lost their breadwinner**

24. In order to provide compensation for the increase in prices, to raise by 65 rubles a month the old-age, length-of-service and disability pensions, pensions for the loss of a breadwinner, and social pensions paid to unemployed persons, as well as the supplements paid for the nonabled family members who are dependent on unemployed pensioners.

For children who are complete orphans, to double the aforementioned increase in pensions for the loss of a breadwinner.

Compensatory payments to employed pensioners in connection with the retail price reform are to be made according to procedures established for workers and office employees.

25. To compensate disabled persons and war and labor veterans for expenditures associated with the increased cost of special means of mobility for disabled persons and the spare parts for them, fuel and lubricants, prostheses and orthopedic devices, medications, transportation costs, treatment in sanatoriums and health resorts, communal and everyday services, and other benefits provided by existing legislation.

26. To recommend that local soviets supplement monetary compensations for low-income segments of the population with various types of social assistance (including assistance in kind)—the granting of special breaks and benefits in taxation and the provision of municipal and social services; the allocation of plots of land and orchard cottages on favorable terms; the provision of packages of prime-necessity foodstuffs and manufactured goods, especially for children, disabled persons, pensioners and other socially defenseless segments of the population, either free or with a partial offsetting of their cost; the payment of bills for medicines and goods specially intended for the disabled and aged; the provision of free food service; the granting of special rates for the use of urban and suburban transportation, and other types of assistance.

**For the unemployed**

27. During the period of vocational training, advanced training, or retraining, citizens who have lost work and earnings (labor income) and are registered in the state employment system as persons seeking work are to be paid compensation in the amount of 50 rubles a month for the entire training period in addition to the stipend stipulated in the 1991 General Agreement between the

Moldovan SSR Government and the Moldovan Federation of Independent Trade Unions.

Citizens who have been classified as unemployed according to established procedures are to be paid a compensation in the amount of 50 rubles a month in addition to the unemployment allowance stipulated in the General Agreement.

#### Other compensatory measures

28. The Moldovan SSR Ministry of Finance, together with the Moldovan SSR Ministry of Science and Education, the Moldovan SSR Ministry of Health, the Moldovan SSR Ministry of Culture and Religions, and other interested ministries and state departments are to increase the monetary norms for expenditures for food service; for the acquisition of minor furnishings and uniforms and of cultural and household goods and office supplies; and for educational purposes in hospitals, polyclinics, children's preschool institutions, schools, children's homes and boarding schools, boarding homes for the aged and disabled, and other organizations supported by republic and local budgets. They are to provide for the timely financing of these institutions and organizations in accordance with the higher norms.

29. Proceeding from the premise that compensatory payments to the populace in connection with the price increases should not be taken by the tax system from citizens' incomes and enterprises' profits, the Moldovan SSR Ministry of Finance and the Moldovan SSR Ministry of Justice are to prepare proposals for amending legislation on the taxation of juristic and physical persons with a view to raising the amount of citizens'

tax-exempt monthly earnings and other forms of income up to 160 rubles, inclusive, and to correspondingly reducing the rates of income tax on the incomes of citizens above 160 but not exceeding 220 rubles a month, to reducing the tax rates on the profits of enterprises and organizations, and also to raising to 480 rubles the maximum level by which the average monthly wages of employees in enterprises' basic operations can be increased and be counted as part of the unit-cost of production.

30. On questions of compensation not reflected in this decree, additional decisions of the Moldovan SSR Government are to be taken.

31. The Moldovan SSR Ministry of Finance, the Moldovan SSR Ministry of Labor, and the Moldovan SSR Ministry of the National Economy are to provide, when necessary, explanations as to the procedures for the application of this decree.

*[signed] Konstantin Oborok, Moldovan SSR deputy prime minister.*

#### Addenda to Decree

914A0662B Kishinev SOVETSKAYA MOLDOVA  
in Russian 2 Apr 91 p 2

[Appendices to the Moldovan SSR Government's Decree: "On Measures for the Social Protection of the Populace of the Moldovan SSR in Connection With the Reform of Retail Prices"]

[Text] Appendix No. 1 to the Moldovan SSR Government's 22 March 1991 Decree No 143.

#### Maximum Amounts of Increases in Retail Prices and Rates for Basic Foodstuffs and Other Consumer Goods and Services

	average percentages
Meat and meat products (except for those sold at unregulated market prices)	200
Milk and dairy products	130
Eggs and egg products	100
Bread and bakery products	200
Flour (sold to the public and to food-service establishments)	200
Grain meals	200
Pasta products	200
Sugar	135
Tea	100
Fish products (except for fresh fish)	130
Salt	240
Vegetable oil	100
Margarine products	100
Food concentrates (for first and second dinner courses, and infant and dietetic food)	200
Laundry soap	100
Underwear and common types of garments and footwear	135
Special uniforms and work clothes	135

**Maximum Amounts of Increases in Retail Prices and Rates for Basic Foodstuffs and Other Consumer Goods and Services (Continued)**

	average percentages
Children's goods	195
Cultural and household goods and office supplies	75
Common types of hats	135
Passenger fares: on rail transport	70
on air transport	80
on maritime transport	140
on inland-waterway transport	100
on motor transport (intercity)	100
on urban transport:	
bus	200
trolleybus	200
taxi	100
Rates for chartered transportation services provided within the Moldovan SSR	100

**Appendix No. 2 to the Moldovan SSR Government's 22 March 1991 Decree No 143.**

**Consumer Goods Sold to the Public at Regulated Market Prices**

**I. Light-industry products**

New fashionable fabrics, knitted fabrics, and high-quality children's goods.

Collars for adults made of rabbit, sheepskin, karakul and other types of fur (other than precious varieties).

Hats for adults made of rabbit and sheepskin.

**II. Cultural and household goods and office supplies**

Passenger cars.

Lumber and wood products.

School notebooks and office supplies for children.

Street bicycles for children and teenagers.

Baby carriages.

Children's games.

Matches.

Wringer washing machines.

Refrigerators up to 250 liters in capacity.

Radio receivers, and audio recording and playback units belonging to complexity groups Nos 3 and 4.

Black-and-white television sets.

Straight-stitch sewing machines.

Detergents.

Gas and electric ranges.

Slide viewers, slide film, and other film and photographic and motion-picture goods for children.

Phonograph records for children.

Power sources (power-supply elements).

Books and book products.

Metal bed frames.

Wallpaper.

Enameled, aluminum and galvanized dishware.

Knitting equipment.

Dishware made of clear blown and pressed glass.

Pottery and porcelain dishware.

Prefabricated houses and orchard cottages, and complete sets of components.

Agricultural minitractors, motor units, and power tillers.

Common tools.

Locally manufactured building materials.

**III. Foodstuffs**

Alcoholic beverages.

Beer.

Caramel and sugar drops other than caramels made using liquors, nuts and fruits and natural honey.

Domestically made perfumes and cosmetics.

Tropical fruits, citrus fruits, and processed products of them.

Products obtained by the processing of pork products in the retail trade network.

Maximum markups on food-service enterprises belonging to the state trade system.

Ordinary wines, champagnes, and sparkling wines.

Ordinary brandies.

#### **IV. Services provided to the public**

The making of custom-made garments in second-class workshops and workrooms (except for especially fashionable items).

The repair and making of garments.

The making and repair of custom-made articles of fur in first- and second-class workshops and workrooms.

Footwear repairs.

Drycleaning and dyeing services (except for rush orders and services for organizations).

The repair of household refrigerators (except for foreign-made refrigerators).

The repair of washing machines (except for foreign-made machines).

The repair of household machines, appliances and tools (except for foreign-made electrical machinery and appliances).

The repair of sewing machines (except for foreign-made machines).

The repair of electrical and mechanical shavers and appliances and small haircutting razors (except for foreign-made appliances).

The maintenance and repair of television and radio equipment (except for foreign-made equipment).

The repair of clocks and watches (except for foreign-made clocks and watches).

Rental services (except for the rental of foreign-made items).

Laundry services for the public with normal return times (except for self-service laundries and the laundering of linens for organizations).

Burial services (except for the making of marble and granite monuments).

Hotel services.

Bathhouse, shower and swimming-pool services.

Water and sewer services for enterprises, organizations and the public.

Paid parking services for motor vehicles, motorcycles and bicycles.

The rental of premises.

Work involved in the removal of garbage, trash, snow, and the mechanized cleaning of streets and roads.

Central-heating and fuel-supply services.

Services related to the making of equipment inventories of buildings and structures, and the surveying and recording of land in the republic.

The maintenance and repair of gas appliances installed in residential buildings belonging to housing construction cooperatives and individuals (based on the right to private property).

Services related to the protection of apartments and installation of burglar-alarms.

Communications services.

The repair and maintenance of passenger cars.

Barber services (except for top-class).

The prices of sanatorium stays.

#### **Appendix No. 3 to the Moldovan SSR Government's 22 March 1991 Decree No 143.**

##### **Domestic and Imported Goods Added to the List of Consumer Goods Sold to the Public at Contractual Prices**

#### **I. Light-industry goods**

Linen fabrics and linen products, as well as tablecloths, bedspreads and other single items (except for products intended for use in production).

Fabrics made of natural silk and natural silk combined with other fibers and products made of such fabrics, silk furniture fabrics, bedspreads, wraps, tablecloths, door curtains, and velvet (except for products intended for use in production).

Pure wool fabrics (except for special-purpose fabrics) and products of them, furniture fabrics, blankets of camel and angola wool, rugs, bedspreads, wraps, tablecloths and door curtains.

Cotton Jacquard and crepe garment fabrics, voile, veil, cambric, muslin, denim of weights of more than 400 grams per square meter, velvet and items made of them, as well as furniture fabrics, bedspreads, wraps, tablecloths and door curtains.

New fashionable articles made of cotton, half-wool fabric and synthetic fibers.

Nonwoven terry, toweling, dress and blouse, and decorative cloths.

Curtain fabric, except for fabrics of the simplest structure.

Cotton thread and knitting yarn, and natural silk thread.

Leather footwear for adults: fashionable footwear and special athletic and outdoor active footwear.

Polymer athletic and outdoor active footwear for adults.

Knitwear for adults made of pure wool yarn Nos 45 and 52, and also of imported novelty yarn and mohair.

Carpets and carpet products.

Leather furnishings made of natural and artificial leather (except for special-purpose and children's articles).

Textile furnishings (except for special-purpose and industrial-textile furnishings).

Collars for adults made of precious natural furs.

Imported high-quality garments, knitwear, footwear, and leather furnishings for adults.

Twine and rope.

Fabrics and articles using *metamit*.

Garments made of domestically produced natural leather.

## **II. Cultural and household goods and office supplies.**

Clocks and watches.

Personal calculators and microcalculators.

Refrigerators with capacities over 250 liters, two- or three-compartment refrigerators, and freezers.

Semiautomatic and automatic washing machines.

Zig-zag sewing machines, semiautomatic and automatic sewing machines, and knitting machines.

Vacuum cleaners, floor waxers, and other electric appliances.

Electronic measuring and radiometric instruments.

Ballpoint and ink pens.

Phonograph records (except for children's).

Telephones.

Photographic and motion-picture goods (except for goods for children).

Water heaters.

Wood and metal tools and office supplies.

White paper products (except for school writing supplies and goods for children).

Mirrors.

All types of furniture.

Plastic articles.

Stainless steel cookware.

Garden tools.

Hardware and locks.

Household chemical products.

Sporting goods.

Musical goods.

Radio receivers and audio recording and playback equipment belonging to the second group (radio receivers, radio phonographs, and others).

Motorcycle and bicycle goods and automobile accessories (except for children's goods).

Construction machinery for individual use.

Brushes.

Craft products, souvenirs, and badges.

Jewelry and metal furnishings, manicure sets, toilet cases and other furnishings.

Plumbing equipment and pumps.

Spare parts for electrical and radio goods and other complex cultural, household and office equipment.

Marble and granite articles.

## **III. Domestic and imported foodstuffs.**

Fancy breads and pastries, rolls, rusks, small loaves, straws, and crescents.

Pancake and biscuit flour.

Enriched grain meals.

Traditional ethnic fortified beverages and balsams.

Nonalcoholic beverages and mineral water, kvass, syrups, dehydrated beverages and carbonated beverages.

Confectioneries (except for sugar drops and caramels sold at regulated retail prices) and bee honey.

Ice cream.

Canned fruits and vegetables and other processed fruit and vegetable products.

Wild fruits, berries, nuts, mushrooms and processed products made of them.

Freeze-dried products.

Spices, condiments, gelatins, vinegar and mayonnaise.

Starch.

Precooked flour products and food concentrates.

Desserts (kissel, mousses, custards, puddings, gelatin desserts, and others).

Prepared breakfasts and other similar products (corn sticks, corn flakes, puffed rice, etc.), and sprinkled rusks.

Natural essential oils.

Rabbit meat, game meat and products made from it.

Fresh-smoked, fresh-dried, semidried, and cooked-smoked sausages; pork products (baked and roasted, cooked-smoked and fresh-smoked), ready-to-cook products with vegetable additives, fast-frozen dishes, canned vegetable products with fat, precooked products of beef, pork and fowl.

Fresh fish and precooked fish products.

Tea with vegetable additives.

Imported tobacco products.

All types of food byproducts.

Potatoes, fresh fruits and vegetables, and table grapes.

#### **IV. Services provided to the public**

The making of garments, knitwear, fur articles and footwear belonging to the high-fashion assortment, regardless of the class of enterprise.

The making of garments, knitwear, fur articles and footwear in top-class and first-class workrooms.

The making of draperies and slipcovers.

The cutting out of materials.

The selection and repair of furs (furrier's services).

The making of hats in top-class workrooms.

The repair of hats.

The making and repair of carpets and carpet products.

The making and repair of leather furnishings.

Rush drycleaning and dyeing services.

The dyeing of leather and artificial leather articles, except for footwear.

The repair of complex household appliances and foreign-made electronic equipment.

The repair of transformers, voltage regulators and electronic meters.

The repair of electric light fixtures and electric heaters.

The maintenance and repair of domestic-made radio and television equipment belonging to the fourth class and subsequent generations.

The repair of typewriters and calculators.

The repair of household kitchen appliances.

The repair of musical instruments.

The making of metal articles.

The repair of foreign-made clocks and watches.

The repair of sports equipment.

The repair of games.

The repair of fountain pens.

Jeweler's work.

Engraving.

The repair of china and crystal articles.

Binding.

The repair of knitting machines.

The repair and sealing of tires and tubes for motor vehicles, motorcycles, motor scooters, sidecars, motorized bicycles, and bicycles.

The repair and servicing of motorcycles, sidecars, motorized bicycles, motor scooters and bicycles.

The repair of boat, bicycle and other attached motors.

The repair of kitchen appliances and metal cookware.

The repair of metal household and office products.

Nickel- chrome- and tin-plating work.

Welding and blacksmith work.

The repair of metal furnishings, souvenir articles, and costume jewelry.

The construction of orchard cottages.

The making of furniture by patterns.

The making and repair of mirrors, and the mechanical processing of glass.

The processing of agricultural products.

The combing of wool and making of yarn.

The dressing of sheepskin and other domestic and wild animal hides.

Photographic services.

Services rendered to book lovers.

The rental of foreign-made articles and domestic-made electronic equipment belonging to the fourth and subsequent generations.

Housecleaning work.

Typing and stenographic work.

Audio recording services.

Rush laundering, laundering for enterprises and organizations, and laundering at self-service laundries.

Services involved in the paid parking of motor launches, boats and other boating devices.

Information and reference services.

Services related to the exchange and rental of housing.

The making of marble and granite monuments.

Services related to the repair and servicing of primary- and secondary-display electric clocks.

The servicing and repair of household machines and appliances and electronic equipment during the warranty period.

Advertising work.

Artistic design work.

Services related to the home delivery of foodstuffs and the collection of empty glass containers from the public.

The prices of tickets and services provided by cultural and educational institutions and organizations.

The prices of tickets and services provided by museums.

Services involved in the technical inspection and registration of small vessels, and the training of navigators rescue specialists.

Services involved in the making and showing of home films.

Charges for services related to the keeping of animals.

The making of ceremonial cloths, and the decoration of textile cloths.

The repair of optical instruments and articles made by everyday-service enterprises.

Services related to combating plant pests.

The prices of disinfection work.

Services related to the installation of fire alarms.

Services provided by hunting and fishing reserves.

Services provided by departmental and interdepartmental archives.

## INTERREGIONAL, FOREIGN TRADE

### USSR Grain, Sugar Deliveries to Lithuania Rumored Cut

91P50173A Vilnius LIETUVOS RYTAS in Lithuanian 23 Apr 91 p 1

Report by Ausra Maldeikiene: "Rumors of Our Demise Have Been Postponed"]

[Text] On Monday, 22 April, there was unsettling talk going around that the USSR had cut the grain and sugar

deliveries to Lithuania and was requiring that all shipments be paid for in hard currency as of 1 May.

I asked Deputy Prime Minister Vytautas Pakalniskis if he could confirm these facts. The vice premier said that, indeed, in recent days, there had been a breakdown in grain deliveries from the USSR, although this is nothing new. So far, no official announcements have been received from Moscow. There has also been no official warning about prices. USSR First Deputy Premier V. Doguzhiyev's speech on television is being relied on as the basis for any information. He said that republics which do not sign the Union treaty will have to use world prices. We must be prepared for this, and at the same time, keep in mind the Czech, Slovak and Hungarian examples, where they also demanded hard currency, although now this is viewed as having been unrealistic.

I succeeded in getting more precise news from Danius Rumska, the deputy minister of trade:

"Deliveries from both sides are quite shaky. Basically, meat deliveries are a fiasco. In the first quarter, the planned delivery of meat to Moscow was supposed to be 38,000 tons; however, Moscow has only been supplied with 35.3 percent of this, i.e., 13,385 tons. The situation will hardly improve next quarter because the meat supply has declined by 25 percent. It isn't any better in the milk industry, where production has decreased by 12 percent. Even though the decrease in the meat supply is considerable, for the moment, the delivery of grain from the USSR is, on the whole, satisfactory. The quarterly plan envisioned 371,000 tons of grain (for livestock feed and for human consumption); only 337,000 tons were received. The plan for the second quarter had 135,000 tons, and up to the present, 30,000 tons have been received. On 22 April Moscow certified that the republic is to get 53,000 tons more grain. The situation with sugar is also quite complicated. In order for the republic's economy to function normally, 200,000 tons of sugar are needed. This year 118,000 tons of sugar should have been delivered to the republic. In the first half of this year 60,000 tons were supposed to be delivered, but only 25,000 tons have been received. The situation isn't much better at present, even though the Moscow suppliers are friendly for the time being. However, they have already cut sugar deliveries to Georgia, but are, at the same time, promising to send us the allotted portion not delivered in the second half."

So, as it turns out, the disquieting talk is, for now, just a rumor. On the other hand, there is a bit of truth in every rumor. And given the economic disintegration of the USSR and political passions, we could still be in for some unexpected unpleasantness. The delivery problems are something we can foresee and it is up to us to prepare for the eventuality. For, as it states in the "Program For Resolving the Economic Crisis" prepared by V. Pavlov's cabinet, "those republics which refuse to participate in the setting up of Union monetary funds and do not sign the Union treaty, will have to pay for USSR goods at

world prices, based on the commercial exchange rate of the ruble." So far this is only a point in the program...

### **Kyrgyzstan, Ukraine Sign Cooperation Accord**

914A0674A Frunze SLOVO KYRGYZSTANA  
in Russian 3 Apr 91 p 1

[Report by KYRTAG: "Kyrgyzstan—the Ukraine: A Treaty Has Been Signed"]

[Text] The day of 2 April of this year will go down in the 130-year history of friendly relations between the Ukrainian people and the Kyrgyz people as an event of enormous sociopolitical, socioeconomic, spiritual, and moral significance: the first state-to-state Treaty of Friendship and Cooperation Between the Republic of Kyrgyzstan and the Ukrainian Soviet Socialist Republic [SSR] was signed in Bishkek. A state delegation of the Ukrainian SSR headed by Chairman of the Ukrainian SSR Supreme Soviet L.M. Kravchuk arrived in our republic in order to sign this document.

Before the ceremony began, a conversation with President of the Republic of Kyrgyzstan A. Akayev was held in which members of the state delegation of both republics took part.

The president greeted the guests on the soil of Kyrgyzstan and informed them about the situation in the republic, the main sociopolitical events, and the tasks the republic is facing. He stressed three significant aspects of the political life of Kyrgyzstan. It is the establishment of civil peace and accord as the main prerequisite for overcoming the economic crisis and implementing a radical economic reform. The visit to Kyrgyzstan by a state delegation of the Uzbek SSR headed by President I. Karimov, and the signing of the Treaty of Friendship and Cooperation between the two republics promoted the reinforcement of interethnic accord and cooperation. The creation of the Committee of Interethnic Accord in the republic, which includes representatives of all national-cultural associations and centers of Kyrgyzstan, furthers the same goal. The second aspect includes the creation of a new effective system of state power and government, as well as a system of local self-government in the absence of which no progress toward solving socioeconomic problems can be made either. In this matter, the president especially stressed fruitful cooperation between the head of state and the Supreme Soviet of the republic. In our republic, he said, an effective, creative, and democratic parliament has emerged; due to good businesslike relations which have been established between the president and the Supreme Soviet, we have managed to operate quite efficiently and create good-quality laws.

Referring to the most significant tasks which the republic is facing, A. Akayev stressed the need to vigorously implement land reform, privatize minor and small enterprises, especially in rural areas, and optimize the external economic relations of the republic. In the process, we treat cooperation not only with foreign countries

but also with our Union republics as external relations. From this point of view, the Treaty of Friendship and Cooperation with the Ukrainian SSR is very significant for us. In December of last year, we signed an agreement on economic cooperation in Kiev. It helped, and helps, us to improve delivery discipline, curtail the destruction, and reinforce and develop direct economic relations. The level of our relations will be elevated to new heights and become qualitatively new after the signing of this treaty. For example, there is a novelty in mutual relations between republics—an agreement reached on the creation of joint enterprises based on the newest technologies developed by Ukrainian scientists. One such joint enterprise operating in Kyrgyzstan will engage in processing our basalt rocks into components and materials which the national economy needs badly. In general, being a mainly raw-material republic, we have a great need to use the most extensive potential accumulated by the Ukraine in developing processing industries. In general, I must say that the Ukraine holds leading positions in the world in many avenues of scientific-technical progress and industrial technology—I say this as a scientist—and this we also find to be very attractive.

In turn, our republic is prepared to share its great recreation potential, the medicinal and curative riches of our health resorts. This is particularly important for children from the Chernobyl zone. We may take part in the joint development and implementation of pharmaceuticals made on the basis of organic and mineral raw materials of our land. There are also other possibilities for mutually advantageous cooperation in the economic sphere which we intend to support and develop in every way possible.

Touching on the political peculiarities of the treaty, A. Akayev stressed its international significance. After all, the Ukrainian SSR is a full-fledged member of the United Nations, and the treaty which is being signed today will be registered by the UN Secretariat. This gives our republic an opportunity to cut a window to Europe and establish contacts with the world community. From the standpoint of domestic politics, this treaty, as well as our agreements with Kazakhstan and Uzbekistan, will become a stone in the foundation of a renewed union of sovereign states. We are very sympathetic toward the efforts of the Ukraine to attain the state sovereignty of the republic, and we support the position and steps taken by the Ukrainian SSR Supreme Soviet and its chairman in this direction. We are profoundly convinced that only the genuine sovereignty of republics is a condition for transforming the USSR into a union of sovereign states.

In his response speech, Chairman of the Ukrainian SSR Supreme Soviet L.M. Kravchuk noted great efforts made by the president and Supreme Soviet of the Republic of Kyrgyzstan in the course of preparing the treaty. These are bits of experience which are priceless in the development and history of civilization, he said. It has become our great responsibility, and at the same time our great privilege, to build a new society. This is very difficult



and complicated, but at the same time also very interesting, because everything is novel and off the beaten path. This means that new views, new approaches, and new relationships are required.

L.M. Kravchuk went on to say that the Ukraine is also a multinational republic; it has about 100 nationalities and ethnic groups. However, interethnic relations are not the foremost problem for us. In our republic, the main issue is that of avenues for the progress of the republic toward sovereignty and an autonomous and independent state. There are two views of this: Some are in favor of sovereignty, but within the Union, while others are in favor of seceding from the Union. We do not dramatize the situation, and do not consider those calling for secession to be enemies. This is a natural aspiration of the people; they have a right to their own opinion on the future of the Ukraine. However, the path for the development of the republic was determined by the referendum. A majority of the people came out in favor of sovereignty within the Union but, of course, on the basis of fundamentally new relations. We did not arrive at all of this at once; we had to negotiate a long and difficult road of self-determination. The adoption of the Declaration of State Sovereignty by the republic became an important landmark on this road. It has been infused with specific content gradually, day after day. Many laws reinforcing sovereignty have been adopted. The Law on the Ukrainian SSR State Bank is one of the latest. This is an important element of the economic and political independence of the republic. The Ukraine is looking for access to foreign markets. However, on this issue we are running into strong resistance by the center. This situation cannot be tolerated any longer. The center, especially its middle executive echelon, has failed to understand the main idea of sovereignty, the fact that the striving of the people for freedom and state self-determination will not be stopped. This is a natural aspiration, and we will remain adamant on this issue. We have no other opportunity to embark on the path of building our statehood. It was given to us by perestroika. This is why, whatever they might say about M.S. Gorbachev today, and however they treat him, he will go down in history because he has given us and others this opportunity, if for no other reason. We envision our sovereignty within the Union. Eighty percent of the populace voted in favor of this.

L.M. Kravchuk went on to say that our peoples have very much in common, perhaps, precisely because we have happened to live in our common union. We will go on living together, but in a new, remodeled house. Also, it is a special pleasure for me to be here because nothing has marred our relations over more than a century. There are 120,000 Ukrainians in your republic. By all signs, they live well. At any rate, we have not received a single letter from Kyrgyzstan with complaints by Ukrainians about some kind of oppression or wrongs, whereas not only letters but also tearful petitioners with complaints come from other republics. This means that the policy of the

republic leaders with regard to the representatives of small peoples and nationalities is correct, balanced, and reasonable.

The leader of the Ukrainian SSR praised highly the draft treaty which, in his opinion, is in the interest of not just the two peoples and the two republics, but will also benefit all peoples of our country and the world community because, after it is ratified by the Ukrainian SSR Supreme Soviet, the republic will forward it to the United Nations as a document of international significance.

In summation, L.M. Kravchuk said that the word "friendship" was included in the title of our treaty, which has somehow faded and lost its value recently, especially following the fires of interethnic conflicts. However, the genuine meaning of the word has not disappeared. It is coming back. We are bringing it back together.

Subsequently, the ceremony of signing the Treaty of Friendship and Cooperation Between the Republic of Kyrgyzstan and the Ukrainian SSR was held. The treaty was signed by President of the Republic of Kyrgyzstan A. Akayev and Ukrainian SSR Supreme Soviet Chairman L.M. Kravchuk.

An agreement on cooperation between the Ministries of Foreign Affairs of the two republics was also signed. Minister of Foreign Affairs of the Republic of Kyrgyzstan M.S. Imanaliyev and Minister of Foreign Affairs of the Ukrainian SSR A.M. Zlenko put their signatures under the agreement.

Members of the state delegations of the Republic of Kyrgyzstan and the Ukrainian SSR were present at the signing of the documents.

L.M. Kravchuk and A. Akayev held a press conference for journalists.

The leaders of the two republics praised the significance of the treaty signed, and called it historic, opening a new chapter in relations between the two peoples. The document is also very significant as far as the signing of the new Union treaty is concerned; it enriches and enhances the content of the treaty.

Later, A. Akayev and L.M. Kravchenko responded to numerous questions by journalists.

#### **Text of Kyrgyz, Ukrainian Cooperation Treaty**

914A0677A Frunze SLOVO KYRGYZSTANA  
in Russian 5 Apr 91 p 1

["Treaty on Friendship and Cooperation Between the Republic of Kyrgyzstan and the Ukrainian Soviet Socialist Republic"]

[Text] The Republic of Kyrgyzstan and the Ukrainian Soviet Socialist Republic, henceforth referred to as the High Contracting Parties,

confirming the right of peoples to manage their own destiny,

basing themselves on the Declaration on State Sovereignty of the Republic of Kyrgyzstan of 15 December 1990 and the Declaration on State Sovereignty of the Ukraine of 16 July 1990,

striving to consolidate and develop economic and cultural ties formed over many years, and to strengthen relations of friendship and mutually beneficial cooperation which respond to the national interests of the peoples of Kyrgyzstan and the Ukraine,

guided by the desire to do their utmost to facilitate the creation and development on a voluntary basis of a union of sovereign states,

intending to develop their relations based on the principles of sovereign equality, nonintervention in internal affairs, the settlement of matters of dispute through conciliatory means, and other commonly accepted principles and norms of international law,

confirming their adherence to the goals and principles of the United Nations Charter, the Helsinki Final Act, the Paris Charter for a New Europe, and other documents on security and cooperation in Europe and Asia,

obligating themselves to observe commonly accepted international norms on human rights,

have agreed as follows:

#### Article 1

The High Contracting Parties recognize each other as sovereign states and obligate themselves to refrain from actions that might harm their state sovereignty.

#### Article 2

The High Contracting Parties guarantee their citizens equal rights and freedoms, regardless of nationality or any other distinction.

The Parties guarantee citizens of the USSR who reside in the territories of the Republic of Kyrgyzstan and the Ukrainian SSR [Soviet Socialist Republic] the right, following adoption by the Parties of laws on citizenship, to retain the citizenship of that Party in whose territory they reside.

Questions of acquiring citizenship of one of the Parties by persons residing in the territory of the other Party will be settled by special agreement in accordance with legislation of the Parties on citizenship.

#### Article 3

Each of the High Contracting Parties guarantees citizens of the other Party, as well as persons without citizenship residing on its territory, regardless of their nationality, creed, or any other distinction: civil, political, social,

economic, and cultural rights and freedoms in accordance with commonly accepted international norms on human rights.

Each of the Parties defends the rights of its citizens residing in the territory of the other Party, provides them all-encompassing assistance and support in accordance with legislation of the Parties and the norms of international law.

#### Article 4

The High Contracting Parties acknowledge and respect the territorial integrity of the Republic of Kyrgyzstan and the Ukrainian SSR in their presently existing boundaries.

#### Article 5

The Republic of Kyrgyzstan and the Ukrainian SSR manifest concern for satisfying the language needs and other national-cultural and spiritual requirements of Kyrgyz residing on the territory of the Ukraine as well as of Ukrainians residing on the territory of Kyrgyzstan. Each of the High Contracting Parties, within the framework of existing laws, provides opportunity and facilitates the rendering of assistance by the other Party to such persons and their organizations.

The Parties promote the expression, preservation, and development of the ethnic, cultural, linguistic, and religious originality of national minorities and of the unique ethnocultural regions that have taken shape.

#### Article 6

The High Contracting Parties will develop, on an equal basis, mutually beneficial cooperation between their peoples and states in the spheres of politics, economics, culture, health care, the ecology, science, technology, trade, the humanitarian and other spheres. They will promote the broad exchange of information, and will conscientiously and unswervingly fulfill their mutual obligations.

The Parties will render assistance to one another with respect to educating youth of Kyrgyzstan in higher, secondary specialized, and occupational-technical training institutions of the Ukrainian SSR, and educating youth of the Ukraine in corresponding training institutions of the Republic of Kyrgyzstan, on the basis of special agreements.

The Parties consider it necessary as well to conclude appropriate agreements on cooperation in the other spheres mentioned in the first paragraph of this Article.

#### Article 7

The High Contracting Parties acknowledge that they each have the right to independently determine forms and varieties of ownership on their territory.

The legal status of state assets, assets of corporate persons, and assets of citizens of one Party which are located in the territory of the other Party is regulated by appropriate agreements.

The Parties agree that all questions regarding facilities categorized as all-Union property are liable to settlement on the basis of special agreements, with the participation of concerned parties.

#### Article 8

The High Contracting Parties acknowledge that the following matters relate to the sphere of their joint activity, to be realized on an equal basis through common coordinating institutions:

- questions of ensuring and protecting human rights;
- interaction in foreign policy and foreign economic activity;
- cooperation in the formation and development of a common economic space, common European and Eurasian markets, and cooperation in the sphere of customs policy;
- administration of systems of power energy, transportation, information and communications, including satellite links and telecommunications;
- cooperation in the sphere of environmental protection, participation in the establishment of an all-encompassing, international system of ecological security, and the rendering of mutual assistance under extraordinary circumstances;
- questions of migration policy;
- the fight against crime.

#### Article 9

The High Contracting Parties are agreed that they will assist one another in the realization and development of international ties of each of the Parties in the political, economic, humanitarian, and other spheres, based on special agreements between them.

#### Article 10

The High Contracting Parties will effect economic, organizational, technical, and other cooperation in eliminating the aftereffects of the accident at the Chernobyl Nuclear Power Plant.

#### Article 11

Economic relations of the High Contracting Parties are regulated by agreements with the granting of most favored nation status.

The Parties ensure the development of economic, trade, and scientific-technological relations at the levels of:

- organs of state authority and government;
- organs of local self-government;
- banks and the financial system;

- enterprises, associations, organizations, and institutions, including joint Kyrgyz-Ukrainian and Ukrainian-Kyrgyz organizations, based on any forms of ownership;
- individual businessmen.

The Parties have agreed that specific mechanisms for intereconomic relations, for joint use of natural resources, volume of trade, all types of communications and deliveries, and matters of economic and information cooperation will be settled by intergovernmental agreements.

The Parties obligate themselves not to permit the use of destabilizing economic measures that would be to the detriment of one another.

#### Article 12

The High Contracting Parties will conclude intergovernmental agreements on reciprocal deliveries and services, payments, prices, and securities trading. This does not constitute an exhaustive listing of agreements.

The Parties obligate themselves to undertake measures on coordinating pricing policy.

#### Article 13

The High Contracting Parties provide for transit transportation operations through sea, river, and air ports, and road and railroad networks situated in their territories.

The conditions and procedure for conducting transit transportation operations are determined by special agreements of the Parties.

#### Article 14

The High Contracting Parties reserve for themselves the right to conclude treaties or agreements on cooperation in all other spheres of interstate relations.

#### Article 15

The High Contracting Parties consider it advisable to effect an exchange of authorized representatives.

The procedure for the exchange of representatives and their status will be regulated by special agreements.

#### Article 16

Disputes that arise regarding the interpretation and application of this Treaty are subject to resolution through negotiations.

#### Article 17

This Treaty does not affect the obligations of the High Contracting Parties with respect to third countries and their right to conclude treaties with third countries on their participation in the sphere of joint activity of the Parties defined by this Treaty.

**Article 18**

The High Contracting Parties will conduct regular bilateral consultations and negotiations on questions of implementation of this Treaty on the level of their Supreme Soviets and governments.

**Article 19**

Each of the High Contracting Parties reserves for itself the right to initiate, within the framework of consultations, negotiations on the advisability of extending the validity of this Treaty or of its individual articles.

The provisions of this Treaty can be supplemented or amended upon mutual agreement of the Parties.

**Article 20**

This Treaty is subject to ratification.

Exchange of instruments of ratification will take place in the city of Kiev.

This Treaty enters into force on the day instruments of ratification are exchanged.

**Article 21**

This Treaty is concluded for a period of 10 years. The validity of the Treaty is subject to a 10-year extension if neither of the High Contracting Parties declares its desire to denounce the Treaty through written notification provided at least six months prior to term expiration of the existing Treaty.

Done in the city of Bishkek 2 April 1991 in two copies, each in the Kyrgyz, Ukrainian, and Russian languages. All three texts have identical validity.

**Article 22**

Following its entry into force, this Treaty is directed to the Secretariat of the United Nations for registration and publication.

*[signed] For the Republic of Kyrgyzstan: A. Akayev, President of the Republic of Kyrgyzstan.*

*For the Ukrainian Soviet Socialist Republic: L. Kravchuk, Chairman of the Supreme Soviet of the Ukrainian Soviet Socialist Republic.*

**Interrepublic Economic Cooperation Negotiated****Uzbekistan-Turkmenia**

914A0694A Tashkent PRAVDA VOSTOKA in Russian  
19 Mar 91 p 1

[UzTAG announcement: "Uzbekistan-Turkmenia: Economic Ties Are Strengthening"]

[Text] A meeting held on 15 March in Tashkent between the governmental delegations of the two Union republics

was devoted to the strengthening of economic ties between Uzbekistan and Turkmenia.

At the meeting they discussed the course of carrying out the 1991 economic contracts in accord with the interrepublic agreement on economic, trade and cultural collaboration signed at the end of last year. Examined in detail were the main points of the contracts relating to the sectors of the fuel-power and machine building, food and light industries. It was emphasized that a majority of the product range was being delivered steadily, mutual delivery obligations were being observed and products were being dispatched for all the main items on a level not less than 1990. It was emphasized that it was essential to develop sociocultural ties and efforts to establish joint enterprises which would make fuller use of production capacity and raw material resources in the two republics.

Agreement was reached on the additional delivery of oil products, salt for processing purposes as well as various commodities of light industry and the chemical sector to Uzbekistan. Turkmenia, in turn, will receive the products of agricultural machine building from our republic and spare parts for this, cable products, building materials, as well as goods of light and textile industry.

It was pointed out that the agreement would help to normalize the economy of the two Union republics and would strengthen economic ties. Good conditions were noted for working out an interrepublic treaty for 1992.

Participating in the meeting were the Vice President of Uzbekistan Sh.R. Mirsaidov, the Prime Minister of Turkmenia Kh. Akhmedov, the First Deputy Chairman of the Cabinet of Ministers under the Uzbek President, I.Kh. Dzhrabekov, the Deputy Chairmen of the Cabinet of Ministers under the Uzbek President, T.Ya. Sharipov and B.S. Khamidov, the chairman of the Turkmen Gosplan M. Razhapov, as well as the leaders of the ministries and departments of the two republics.

**Uzbekistan-Kyrgyzstan**

914A0694B Tashkent PRAVDA VOSTOKA in Russian  
19 Mar 91 p 2

[Agreement Between the Government of the Uzbek Soviet Socialist Republic and the Government of the Republic of Kyrgyzstan on Economic and Cultural Collaboration for 1991-1995]

[Text] The government of the Uzbek Soviet Socialist Republic and the government of the Republic of Kyrgyzstan subsequently called the Parties, in relying on the principals of economic independence and proceeding from the goals of deepening mutually advantageous economic ties on the basis of equality, conclude the current interrepublic agreement:

**Article 1**

The Agreeing Parties, having examined the opportunities, recognized as advisable to basically maintain in

1991 the reciprocal deliveries of raw materials, products and goods no lower than the 1990 level and to take measures to subsequently level out their volumes on an equivalent basis.

#### Article 2

The Parties agreed to carry out their relations on a basis of the corresponding contracts, agreements or protocols which are concluded between the enterprises, organizations, institutions, the bodies of territorial (municipal) or state administration and other economic principals within the limits of their competence. They bear full responsibility for the observance of their obligations (with the exception of natural disasters) and are jointly to examine measures to thwart any attempts by the economic principals aimed at infringing the interests of one of the parties.

#### Article 3

The Parties will provide assistance in maintaining, establishing and broadening direct economic ties between the enterprises, organizations, institutions and other economic principals involved in reciprocal trade of raw materials, products and consumer goods and in rendering services considering the changeover to market conditions as well as in making up for a committed shortfall under the contracts or the individually adopted orders.

#### Article 4

The Parties have agreed that their territorial administrative bodies, enterprises, organizations, institutions and other economic principals in concluding contracts on reciprocal product deliveries where certain limitations have been imposed should provide for their transporting in or out only with permission from the competent bodies of both governments.

#### Article 5

The Parties feel that enterprises and organizations located on the territory of the republics can participate in collaboration outside the dependence upon the form of ownership and departmental affiliation. With the agreement of the Parties, enterprises and organizations located outside the territory of the republics as well as foreign participants can also take part in collaboration.

#### Article 6

The Parties, in paying for mutual deliveries in 1991, can use the current price lists and contractual prices (in rubles) in accord with the prices of supply and demand applicable for both sides. The Parties will refrain from actions which could cause economic harm to one another.

#### Article 7

The Parties have agreed within a one-month period, starting from the date of the signing of the given agreement, to complete the conclusion of contracts, the

signing of agreements or protocols on the development of economic, scientific-technical and cultural collaboration in the aim of providing stability in the work of the production facilities, in developing and strengthening mutually advantageous ties.

#### Article 8

The Parties consider as advisable, in line with the lapsing of the date for extending the Treaty on the Leasing of Pasture Lands in December 1990, to maintain in 1991 the established conditions for the use of the pastures located over the border on the territory of the Republic of Kyrgyzstan by the farms of the Fergana Valley of Uzbekistan. Subsequently, the pastures are to be returned gradually in accord with the agreement of the Parties.

#### Article 9

The Parties feel it necessary to establish a joint working commission to elaborate a program for economic, scientific-technical and cultural collaboration between the Uzbek SSR and the Republic of Kyrgyzstan for 1991-1995; this will make provision for the further development of these ties on the basis of equality and mutual advantage. They consider it advisable to complete the elaboration of the program in the first half of 1991.

#### Article 10

The Parties recognize that the volume and delivery of products between Uzbekistan and the Republic of Kyrgyzstan be carried out with the reciprocal responsibility of both parties who have concluded the current agreement and have agreed to periodically inform one another on the course of carrying it out.

#### Article 11

The Parties feel it necessary annually, at the agreed-upon times, to examine and approve for the subsequent year the volume and structure of reciprocal deliveries considering the prospects of their development over the five-year period, the mutual interests and equal partnership.

#### Article 12

The current agreement is to come into force on the day of its signing and will be in effect as long as neither of the Parties three months prior to the end of the current calendar year voices its desire to amend or halt its action.

Carried out in the city of Osha on 14 March 1991 in three copies, each in Uzbek, Kyrgyz and Russian languages, with all three texts being of equal validity.

For the government of the  
Uzbek SSR, I. Dzhurabekov  
For the government of the  
Republic of Kyrgyzstan,  
N. Isanov

**Uzbek, Turkmen Agreement on Retail Prices for Foodstuffs***914A0685C Ashkhabad TURKMENSKAYA ISKRA in Russian 1 Apr 91 p 1*

[“Agreement Between Uzbek Soviet Socialist Republic and Turkmen Soviet Socialist Republic on Retail Prices for Bread and Bakery Products”]

[Text] In response to the implemented price reform, and for the purpose of coordination of joint efforts aimed at providing social protection for the population—especially for its low-income strata—the Uzbek SSR and the Turkmen SSR are entering into the following agreement.

Taking into account national traditions, the existing demographic situation, and regional patterns in the structure of food consumption, it is decided to leave retail prices for bread and bakery products unchanged on the territory of Uzbekistan and Turkmenia in 1991.

The adoption of this agreement is in accord with the vital interests of the population of both republics, primarily pensioners, the disabled, families with many children, and students.

[signed] *I. Karimov, president of Uzbek Soviet Socialist Republic*

*S. Niyazov, president of Turkmen Soviet Socialist Republic*

*29 March 1991*

**Azerbaijan Commodities Exchange Formed***914A0685A Moscow LESNAYA GAZETA in Russian 19 Feb 91 p 1*

[Report by LESNAYA GAZETA correspondent in Baku M. Pichkhadze: “Commodities Exchange Formed”]

[Text] The government of Azerbaijan made a decision to open a commodities exchange in Baku. The establishment of the exchange, according to I. Ibragimov, a leading specialist in the republic Council of Ministers, is necessitated by the transition to new economic relations.

The exchange will take the form of a multilayer commodity exchange that will combine classic exchange operations with commodity deals in the sphere of auction- and fair-based trade. The main purpose is to attract the necessary mass of goods into the republic; to saturate the market with technical-industrial and consumer goods; to conduct purchase and sell deals; and to sign delivery contracts.

As the market expands and exchange-based trade grows, it is planned for several specialized exchanges to spin off—separated according to type of product—that will handle trade in petroproducts, cotton, tobacco, wine,

and other goods the republic produces in large quantities and in which it occupies a monopolistic position on the Union market.

**Chuvashia Bans Export of Food, Consumer Items***914A0685B Moscow TRUD in Russian 11 Apr 91 p 1*

[Unattributed report from Cheboksary: “Chuvashia Closes Its Borders”]

[Text] In accordance with a decision of the Chuvashia Supreme Soviet Presidium and Council of Ministers, an absolute ban is imposed on the export outside of republic territory of food and basic types of consumer goods in quantities beyond those established by the state order and the food tax. Sending postal packages outside republic territory is also prohibited.

Before they go by scheduled bus from, say, Kazan to Nizhny Novgorod, passengers must now check whether they have, by chance, an extra box of matches or pack of cigarettes. All of this may now be confiscated without compensation and given to the needy.

Among the goods subject to confiscation without compensation are practically all food products, appliances and pianos, fabrics and footwear, clothes and construction materials—the list is too long. The republic MVD [Ministry of Internal Affairs] and KGB, and city and rayon soviets are charged with the inspection of all types of transport vehicles leaving Chuvashia, and with replenishing local resources by all available means. This is how the local authorities have decided to protect the interests of the republic's citizens. But will this extraordinary measure help, given that the production of goods is falling almost everywhere?

**PRICES, BUDGET, FINANCES****Ukrainian Council of Ministers Official on Last Stage of Price Reform***914A0678A Kiev PRAVDA UKRAINY in Russian 3 Apr 91 p 3*

[Interview with L.P. Ogiyenko, first deputy chairman of the Ukrainian SSR Council of Ministers Committee for Prices, by PRAVDA UKRAINY correspondent Viktor Nikipelov: “Let Us Learn to Live Within Our Means”]

[Text]

[Nikipelov] So, the last stage of the reform of retail prices, the need for which economists have talked about tirelessly, began on 2 April. The hopes, concerns, and doubts of millions of people hinge upon it. What will it accomplish?

[Ogiyenko] First of all, the reform will bring retail prices closer to the actual costs of production and distribution

of individual products; it will help to change the correlation of supply and demand in individual commodity groups more flexibly, and will become a very significant element in the transition to the market.

As you know, the level of wholesale and procurement prices in effect before the beginning of this year did not reflect the actual cost of work of oil and gas workers, miners and steelworkers, chemical industry personnel and lumberjacks, railway workers and employees of the agro-industrial complex, as well as that of workers in many other sectors of the production sphere. If the old prices were preserved, oil and lumber production would be unprofitable this year, as well the transportation of most types of freight and production of construction materials.

Social security contributions which were factored in when these prices were set did not make it possible to increase retirement benefits and allowances for war and labor veterans and the disabled. It is known that bringing wholesale prices and tariffs into compliance with the actual cost of production and consumer value of products became one of the demands of labor collectives in various industries. Not only was the introduction of new wholesale and procurement prices coordinated with all Union republics, but they also adopted appropriate resolutions on these issues.

At the same time, the increase of wholesale and procurement prices exacerbated economic problems in the production of consumer goods and provision of services to the populace. Given the retail prices previously in effect, the production of virtually all foodstuffs, especially meat, dairy, and fish products, was unprofitable, as well as the production of light industry output made of natural raw materials and a number of types of man-made fiber, goods for children, and the bulk of goods for cultural and household uses.

For example, in the country as a whole, subsidies for producing every kilogram of beef came to approximately 8 rubles [R], a kilogram of butter R16 to R17, and a liter of milk R0.56. The costs of producing TV sets, washing machines, furniture, construction materials, and other goods were between 40 and 80 percent higher than the retail prices in effect. What kind of market is it when an overwhelming proportion of consumer goods are subsidized?

Of course, all our problems will not be solved by merely changing prices. Ultimately, the main point is the technical refurbishment of production and structural changes in it. However, first of all we need to do away with the budget deficit, or more precisely, to reduce it to an acceptable minimum, and to cut the emission of money sharply. To this end, capital expenditure, defense, and management outlays were reduced as much as possible; measures were taken to pursue a more vigorous interest rate policy with regard to both cash and noncash circulation. As a result, the savings of the

population increased as never before, and in January no new currency was placed in circulation for the first time in many years.

However, the huge subsidies that existed did not make it possible to effectively balance the budget and reinforce monetary circulation. This is why price reform became necessary.

[Nikipelov] How will it be conducted?

[Ogiyenko] All republics opted for a scenario of coordinated actions providing for a one-time expansion of the scope of contract prices. Limits on increases in state retail prices for the main consumer goods, which are the same for the entire territory of the country, were established, including increases by a factor of 2.5 for foodstuffs, of 2.35 for underwear, popular types of fabrics, clothing, and footwear, and of three for children's goods. This magnitude of price increases will give enterprises economic incentives to produce goods and will stabilize the consumer market.

**In the process, retail prices for medicines and products for medical uses, coffee, light industry products manufactured from synthetic materials, gasoline, kerosene, electricity, gas, coal, furnace fuel, and firewood sold to the populace will not increase, as well as those for vodka.**

[Nikipelov] Why are the prices of children's goods growing so considerably?

[Ogiyenko] So far, the state has maintained relatively low prices for children's goods by means of special subsidies. At present, this subsidy is almost twice as high as the entire cost of goods in retail prices. While being superficially attractive for the populace, this approach nonetheless has serious flaws, primarily because it does not give enterprises incentives to produce these goods. In addition, since these goods are cheap, they are frequently purchased by adults with a similar build. On the other hand, families with fast-growing children, for whom the parents are forced to buy garments and footwear at unsubsidized prices, receive no support from the state. This is precisely why it was resolved to give up the subsidization of children's goods and provide a special compensation for each child instead.

[Nikipelov] What other peculiarities would you point out?

[Ogiyenko] We must certainly stress that, along with higher levels, the ratios of prices for individual types of goods will change, taking into account their real consumer value, and supply and demand. For example, the meat of drawn chickens is 1.7 times more expensive than beef, whereas its new price will be 20 percent lower. As far as the products of light industry are concerned, prices for products made from natural fiber will increase the most (by a factor of 2.5), those for products made from viscose and acetate fiber by factors of 1.5 to 1.7, whereas prices for products made from synthetics will remain virtually unchanged.

[Nikipelov] Leonid Pavlovich, as a number of TV interviews suggest, the reform of retail prices does not boil down to increasing them in an administrative manner only.

[Ogiyenko] Of course. This has to do with changing the entire system of price setting. In the process the role of the republics, which have confirmed new prices for important groups of goods such as sausage, confectioneries, and many dairy products, will increase substantially.

Prices adopted at the Union level are primarily in the nature of price ceilings; this is why the republics may reduce prices for individual goods on their own. Unfortunately, as far as our republic is concerned, this is not possible at present.

Considerable amounts of merchandise will be sold to the populace at regulated retail prices—passenger cars, lumber and construction materials, popular electric and electronic appliances, certain types of light-industry products, wine, beer, regular-grade cognacs, and some other products. What does this mean? The state will restrict the growth of prices for these goods, imposing ceilings for increasing such prices.

For example, the price of the Oka car will be restricted to a "ceiling" of R8,000; of the VAZ [Volga Automotive Plant] Model 5, to R16,000; of Models 6 and 7 to R17,000; of model 8, to R16,500; of Model 9, to R17,500; of the new Moskvitch car, to R20,000; of the GAZ [Gorkiy Automotive Plant]-2410, to R30,000; of the GAZ-3102, to R40,000; of the Niva, to R20,000; of the LuAZ [Lutsk Automotive Plant], to R7,500; and of the Tavria, to R12,000.

The nomenclature of goods that will be sold at freely set contract prices will be expanded. They will include fashionable garments from leather and natural fabrics, certain types of footwear for adults, rugs, watches, high-standard electrical household appliances and audio equipment, high-quality imported goods, smoked products, and a number of other nonstaple foodstuffs.

[Nikipelov] In other words, despite an entire set of compensations, our life will become quite a bit more expensive, and virtually all of us will have to tighten our belts.

[Ogiyenko] Well, this is indeed the case. Obviously, many of us will not be in too much of a hurry to make certain purchases in view of the new prices. Let us learn to live within our means.

#### **Ukraine's Fokin on Measures To Forestall Effects of Price Increases**

914A0686A Kiev PRAVDA UKRAINY in Russian  
18 Apr 91 pp 1, 3

[Speech by Chairman of the Ukrainian SSR Council of Ministers V. Fokin at the 16 April Ukrainian Supreme

Soviet plenary session: "Vitold Fokin: The Government of the Republic Needs the Support of the People"]

[Text] The uneasy and tense atmosphere that has developed on the floor reflects the situation in our entire society. As a matter of fact, this situation cannot be any different because methods which the Union Government has used to carry out a price reform are reminiscent of surgery without anesthesia. As a result, the people are shocked, but no substantial therapeutic aid is being given to them. This is why it is quite natural that the actions of the Union leadership have caused extensive dissatisfaction among all strata of the population throughout the country.

However, in all of this I would like to remind you, my esteemed colleagues, that the collapse of the consumer market did not begin on 2 April, but rather on 1 January, when wholesale and procurement prices were increased. It would have been naive to believe that this action would not entail a retail price increase. After all, this is an axiom.

However, almost no one denied this. All republics were sort of mesmerized by the promises of the center to ensure reliable social protection of the citizens.

Perhaps, this is precisely why we were unable to prepare for the reform vigorously and take advantage of all available opportunities in order to cushion the unfavorable impact of the price increase as much as possible.

Frankly, our opportunities were not that great to begin with. However, they diminished considerably by the end of the first quarter of this year in which—I would ask you to keep this in mind—the monetary income of the populace increased by more than 15 percent. On the contrary, the national income of the republic declined by 4.4 percent.

The volume of industrial production dropped by 4.1 percent, the output of foodstuffs dropped by more than five percent, and—let me emphasize this too—the procurement of animal-husbandry products dropped by 12.4 percent.

Esteemed colleagues, all of the above are objective factors which we cannot ignore. Pardon me, but in view of this what miracle did the people count on who hoped that, after the price increase, a complete selection of the already forgotten goods would appear in the stores? Why have such hopes? What kind of miracle did we count on? However, I should be self-critical. This does not by any means diminish the blame of some republic government structures which wasted the time still available to them for developing effective measures aimed at preventing some annoying distortions which occurred in the course of the price increase. I will give just a few of the most typical examples.

Perhaps, it was possible to foresee that in the course of repricing the merchandise trade organizations would



attempt to set trade markups at the maximum level. As is known, markups of up to 20 percent were established.

When we began inspections we did not find virtually a single case in which the markups amounted to 19 or, for example, 18 percent. Understandably, none came close to either five or 10 percent. Unfortunately, competent organs did not at all prevent them from doing so.

Let us also look at goods which even before the reform were sold at so-called contract prices rather than fixed state prices.

It is quite obvious that other guidelines should have been applied in changing their scale, because raw materials and products had been purchased in advance. However, without giving it much thought, cooperative trade employees proceeded to increase contract prices as well by a factor of two. As a result, we saw incredible, absolutely inconceivable prices for gourmet types of sausage, some of which cost as much as 25 to 30 rubles [R], and even, as I was told, because I have not seen this myself—R38.

The same outrage is now being committed in consumer services to the populace in which no price increase was envisaged. With the tacit approval of some local soviets, barber shops in some cities, for example in Kiev, charge R7 or even R10 for men's hair cuts, and women have to pay R30 for a hairdo. Of course, organs of executive power should not allow such outrages to occur. I assure you that the government will resolutely root out all attempts to violate the established system of price formation, and will certainly restore strict order in this sphere.

At the same time, my esteemed colleagues, I would like to categorically refute charges that the republic government is supposedly interested in the price reform because it will allow the government to cover up its own shortcomings. This is absolutely untrue. Judge for yourselves: Additional revenues which the republic budget should take in by virtue of the price reform in the nine months remaining until the end of the year will come to R19.4 billion. At the same time, all compensatory payments will come to R45 billion, including R32.1 billion from the budget. That is, my esteemed colleagues, the entire "incentive" to the republic and its government will consist of an additional budget deficit amounting to R12.7 billion. Obviously, if the price increase is advantageous for someone, it is not by any means for our republic.

However, the socioeconomic and, first of all, the financial situation being as grave as it is, the government of the republic took a number of measures to defend the standard of living of the people of the Ukraine against the unfavorable impact of the price increases as much as possible.

**First**, we increased the levels of compensation payments by R5 a month. This was done in order to compensate the populace for additional expenditures due to paying

the sales tax on food staples: meat and meat products, milk and dairy products, eggs, flour, cereals, fish products, vegetable oil, salt, sugar, margarine products, tea, and macaroni. More than R3 billion in additional budget outlays were earmarked for this. That is, we reduced in part the pressure of the five percent "presidential" tax on the incomes of the populace.

However, we should understand that our republic is a merchandise exporter. Pardon me, but it is only advantageous for us if they pay increased prices for our products somewhere outside the borders of the Ukraine. We compensated our populace for this tax, even with a surplus, albeit a small one: Calculations indicated R4.75. Some might say that this is a trifle. A trifle perhaps, but it is kopeks that make up rubles. Therefore, this explains why such a decision was made by the government regarding a partial reduction of the sales tax, which is at first glance a half-measure.

**Second**, it was also envisaged to increase the tax-exempt volume of monthly wages and other incomes to R165 instead of the R160 proposed by the Union organs.

**Third**, the government of the republic recently abolished restrictions on the size of total income per family member previously in effect (R280) used in establishing compensation payments in the amount of R45 for families with minor children in conjunction with higher prices for children's goods. Certificates of family incomes were abolished, which simplifies the procedure for compensation payments considerably and improves the financial standing of many families with children.

**Fourth**, a decision was made to introduce new monthly payments in the amount of R45 for nonworking women who have three or more children under 16.

**Fifth**, the cost of meals for college students and students of special secondary educational establishments was maintained at levels in effect before the price increase.

Briefly, about so-called "slow-down rations" for miners: before the retail prices increased, they cost between 80 kopeks and R1.50. They now cost R3.30, but compensation payments for miners were increased to R105 whereas, as you know, other strata of the population receive R65.

**Sixth**, the Ukrainian SSR [Soviet Socialist Republic] State Inspectorate for Price Monitoring was set up with the objective of ensuring reliable protection of the populace against unjustified increases of prices and tariffs for goods and services.

We should stress that local organs will be deprived of any opportunity to interfere with its operation. This inspectorate has a special status and the broadest possible powers to monitor and implement state policy in the sphere of price setting.

**Seventh**, a special republic state commission was set up in order to urgently resolve in practice all issues associated with making compensation payments to the populace; its working group works every day, without days off. Telephone numbers were published at which the commission may be contacted, answers may be received, or sound proposals may be made.

Finally, taking into account the extraordinary, I would say super-complicated economic situation of the Ukraine, this year we are unable to transfer R3 billion to the Union stabilization fund. Moreover, we are unable to transfer to the center a single kopek from the R9 billion which the Ukraine was supposed to contribute to the Union fund for the social support of the populace. Esteemed deputies, it will be altogether impossible to support our own people at least somewhat in this difficult time otherwise.

Despite the significance of some of the above measures, all of them represent merely the initial, one might say "emergency," response by the government of the republic to the price reform implemented by the center. This set of measures will be expanded substantially in the immediate future.

This has to do with putting an end to the outright robbery of the people by the Union Ministry of Railways which increased fares in commuter rail transit to heights which defy common sense. After all, fares went up by factors of five, six, or even 10! Meanwhile, this is specifically the mode of transportation used by enormous numbers of working people who commute to work in Kiev, Kharkov, Dnepropetrovsk, and other major cities.

This is why I appealed to esteemed Comrades Pavlov and Konarev demanding that an end be put immediately to actions that have caused a real wave of justified anger of the people.

We will convert the entire network of employee canteens to nonprofit operation, and we will provide support for college and school cafeterias with budgetary monies and off-budget funds, due to which meals will become cheaper.

In addition, we will once again examine budget items (this is precisely what the Ministry of Finance of the republic is now doing), and I believe that we will find an opportunity to reduce prices for some foodstuffs after all. For example, taking into account high cooperative prices for smoked bologna, fresh salami, and hard salami, a decision was made to authorize meat-packing combines to sell sausage manufactured from the meat stocks of the state at wholesale prices, figuring in a five percent trade reduction. I think that under such circumstances retail prices for the above types of sausage will drop by approximately R4 to R5. We should add to this that the

price committee abolished clearly excessive markups for public-catering enterprises, as instructed by the republic government. The heads of these enterprises, regardless of their institutional affiliation, have a right—and a duty!—to reduce the levels of confirmed prices.

Finally, esteemed deputies, a draft law on the reform of remunerations for labor and on the minimal consumer budget for the purposes of income indexing, as well as those of setting the minimal wage, will be submitted to the Supreme Soviet of the republic for consideration.

Unfortunately, esteemed people's deputies, as much as I would like to, I cannot say that the standard of living of the people of the Ukraine will improve soon if all of these measures, and even other additional measures which are being worked on in the course of developing our economic stabilization program, are implemented.

As is known, at present we do not act as an obedient boy, and we certainly do not intend to act so in the future. However, it is worthwhile to grasp that the republic alone is simply not in a position to reduce the scale of prices.

Moreover, even if were to assume that this would happen, we would be altogether overwhelmed by our neighbors within a short period of time. If, in the course of this, coupons were abolished, as some people propose, including my deputy Comrade Urchukin, the lion's share of the consumer market of the Ukraine would be instantly transported beyond its borders.

I would very much like every citizen of the Ukraine to grasp one truth which is important in principle: Both the government and the people are now on the same side of the barricade. The government has no other objective but to improve the life of the people.

Unfortunately, old, obsolete organizational structures still hamper the attainment of this objective greatly. This is precisely why I hope that an extremely vital endeavor, the fundamental restructuring of the entire system of executive power in the republic, will begin at a meeting of the session. However, this is a topic for a separate discussion.

In summation, I would like to use a recently uttered line from an appeal by Narodnaya Rada, specifically, the demand "to stop the slide of the economy into a crisis."

This is precisely what the government of the republic is now doing, and it needs the support of the entire people more than ever. My dear fellow citizens, please understand that both strikes and all other acts of civil disobedience which at first glance appear to be directed against

the dictates of the center actually strike a painful blow at the back of the republic government, and in the greater scheme of things, the entire Ukraine.

Overcoming the crisis and gaining the state sovereignty of the Ukraine are the two tracks of the only possible historical path of ours. We will not negotiate even the shortest segment of this path in the absence of civil accord, restraint, and strenuous work.

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V.P. Fokin responded to questions.

Deputies who spoke at the session unequivocally referred to the reform as being predatory and destabilizing. They believe that it is high time to decide the fate of the Ukraine and its citizens ourselves.

## AGRO-ECONOMICS, POLICY, ORGANIZATION

### Land Reform Tasks, Progress Discussed

#### Sound Data Base Needed

914B0139A Moscow PRAVITELSTVENNYY  
VESTNIK in Russian No 8, Feb 91 p 5

[Article by N. Spasskiy and G. Khromov, officials of the All-Union Astronomical and Geographical Society under the USSR Academy of Sciences: "There is no Master Without the Register"—paragraph in bold is the PRAVITELSTVENNYY VESTNIK introduction]

[Text] The President of the USSR has put out an edict (*ukaz*) "On the Top Priority Tasks in Implementing the Land Reform." According to this document the republic governments and the *ispolkoms* of local Soviets must take an inventory of irrationally utilized lands in the first half of this year. A special fund for apportioning land to peasant farms, tenants, agricultural cooperatives as well as to citizens for personal plots, dacha construction, orchard cultivation and vegetable gardening is then to be formed from these lands.

The development of a mixed economy with different forms of ownership in the village requires a new approach to the accounting of the immovable properties which form the basic wealth of our people. In this instance the concept of immovable property includes all natural and man-made objects located on the territory of the USSR and hidden in its depths.

It seems obvious that without such an accounting and careful inventory-taking of this public property it is impossible to overcome the mistakes of the past and the state of chaos in management and the determination of rent, and uncertainties in the establishment of ownership. The historical experience of the economic activity of mankind has produced a now generally accepted form for the comprehensive and continuous accounting over time of immovable properties—in the form of the so-called registers (*kadastr*).

A parcel of land with precisely defined borders serves as the basic accounting unit of register systems. All territory of the state without exception is divided into parcels having their own possessor whose rights have been confirmed by the appropriate legal documents. There should not be and cannot be land "not belonging to anyone," including territories occupied by expanses of water, waste lands, roads, etc.

The second basic condition which gives to the register its socio-economic significance is the scientifically valid value of land and other immovable properties on its surface and in the depths. This value is assigned in register information and permits one to form an opinion about the wealth of the possessor of the land and the quality of his economic activity and to carry on well-founded taxation.

Based on world experience, one can represent the USSR Unified State Register (*Yedinyy gosudarstvennyy kadastr SSSR*) as a system consisting of a Central Register containing correlated data about the entire territory of the country. Detailed territorial registers corresponding to its administrative division (including cities) are also necessary. And, finally, departmental registers containing information about special objects: land, forest, water, city registers, etc.

The composition of the accounting data with respect to each type of territory is to be determined in accordance with its physiographic characteristics, economic and social significance, and the semantic and logical structure of the system of accounting. The special departmental registers supplement general information with reports concerning especially important types of national wealth.

Diverse sources of information are required for the creation of the consolidated data bank of the Central Register and the data banks of the territorial registers. On the basis of legislation state and cooperative organizations, like individual possessors of immovable properties, should submit the required accounting data to the register service. In turn the diverse information on immovable properties accumulated and systematized in the registers should be widely accessible—from the organs of state and local administration to cooperative possessors, public organizations and private individuals. This offers the possibility of organizing the register service on the basis of cost recovery and economic accountability.

The vast scale of our country's territory and of its national economy make the organization of operations with respect to creating and managing a register service an important and labor intensive measure. Besides the basic specialists, geodesists and topographers, economists, legal experts, and specialists in the field of information science also should be enlisted to participate in it.

Preparation of the land reform and the transfer of power to the localities embraces questions of creating and managing land, forest, water, city and other registers. However, little is being done in the matter.

Such a state of affairs in the managing of registers undoubtedly causes further confusion with the accounting of immovable assets. Hence, incidentally, the surge of the shadow economy.

In order to avoid the appearance of anarchy and chaos while the economic reform is being carried out, one ought not to be slow in introducing a multipurpose system for the accounting of land resources.

We suggest that a state commission of specialists and representatives of interested organizations be created under the leadership of one of the committees of the USSR Supreme Soviet (for example, the Committee on Legislation) to prepare a law on the USSR State Register.

**V. Khlystun Interviewed**

914B0139B Moscow PRAVDA in Russian 19 Apr 91  
First Edition p 2

[Interview with Doctor of Economic Sciences V. Khlystun, chairman of the RSFSR State Committee on Land Reform, by PRAVDA correspondent N. Musiyenko: "Shall We Find a Manager?"]

[Text]

[Musiyenko] Viktor Nikolayevich, the sowing is unfolding broadly in the country. Will each plot of land now operate with maximum efficiency and will all those who so desire receive plots?

[Khlystun] We are striving for that at least. I'll cite some facts: as of the beginning of April, 3.9 million hectares previously abandoned or poorly utilized had been included in the redistribution fund. Some 13,602 peasant farms have received land. The allocation of lands for orchards and vegetable gardens and for the expansion of rural farmyards is also coming to an end.

Unfortunately, as yet there is not complete success in solving the problem of the collective orchards near Moscow and Leningrad. For example, about two million applications for plots have been received from Muscovites and inhabitants of the cities around Moscow alone. If only 8-10 hundredth parts (sotka) apiece for each... Where to get so much free land? It has been decided to turn over part of the sovkhoz arable land to the inhabitants of the capital for temporary use, for a year.

Let us assume that an industrial enterprise concludes an agreement with a farm. Along with marketable potatoes (tovarnoye kartofel), it undertakes to plant them also for the city-dwellers. The Muscovites will pay the farm for the work and the planting material. They themselves will harvest the crop and take it for themselves. One can also not pay, but then, according to the agreement, part of what has been grown will be given back to the agricultural enterprise.

[Musiyenko] Reform is a complex and sometimes dramatic process. Many farm leaders have opposed it adamantly, not wanting to give up even an inch of land.

[Khlystun] It's not been without that sort of thing. However, their psychology is gradually changing. I can cite dozens of examples when the kolkhozes and sovkhozes collaborate with the farmers under mutually advantageous conditions and voluntarily, without any kind of "pressure," give back surplus land to the redistribution fund. And in the extreme case controversial questions can be resolved in the courts.

True, the reform has another obstacle. Our bureaucratic machine is very sluggish. Examination of the applications of those desiring to get land is often extremely slow. However, time does not wait. A month ago the Presidium of the Supreme Soviet and of the Council of Ministers of Russia adopted a resolution "On Additional

Measures for Accelerating the Realization of the Land Reform in the RSFSR." It sets a week's time for the examination of applications. The ispolkoms of local Soviets have been given the right to grant land, with subsequent approval of these decisions at sessions. The President of the country has also issued appropriate instructions.

[Musiyenko] However nothing can be done in the field with bare hands. The peasants need equipment, loans and much else. Where is one to get all this?

[Khlystun] Let them first of all apply to the associations or unions of peasant farms which are now in almost all oblasts, krais, republics and even regions.

The Russian government has allotted 7,000 tractors, 5,000 motor vehicles and other material-technical resources for individual farmers and members of agricultural cooperatives. Undoubtedly they will be shared by the people in the localities. And, as is well known, a billion rubles has been provided in the Russian budget for the financial support of the peasants. According to a decision of the recent congress of the Association of the Peasant Farms and Cooperatives of Russia (AKKOR), this money will go mainly to pay off the considerable interest charged on bank loans. Part of the funds are for the creation of cooperative agricultural machinery hiring centers and of small enterprises for processing what has been grown.

[Musiyenko] Many are convinced that the land reform is directed at the destruction of the kolkhozes and sovkhozes. And, you see, they are so far our chief bread-winners...

[Khlystun] It is not so. I recommend that the doubters read the Russian land laws carefully. There are neither direct nor indirect instructions in them about the forcible dissolution of kolkhozes and sovkhozes. Although life has already demonstrated that, having become masters of the land and of the output, people work far better. However, this does not at all mean that one ought to quickly carry out "reverse collectivization." The question is only one of internal privatization, which is called upon to revive the interest of the cultivators in the end results of labor and in increasing the fertility of the soil.

I'll give an example. At a general meeting the members of the Zarya kolkhoz of Medynskiy Rayon in Kaluga Oblast decided to convert their kolkhoz into a union of peasant farms. They divided the cattle, equipment and land on a fair basis. However, all the kolkhoz services—workshops, garages, warehouses, and the gas station—continue to operate on a cooperative basis.

There can be different approaches, of course, to internal privatization. Let's say, the converting of sovkhozes into joint-stock companies and their transformation into public (narodnyy) enterprises. However, there is a single purpose for the conversions—to make the hired worker a master, an owner. If a peasant has decided to leave the

kolkhoz or sovkhoz with his share of the land and of the means of production, no one has the right to put obstacles in his way.

And the mechanism for determining the sizes of a specific peasant's allotment is simple. The land of a given farm is appraised in rubles and the amount is divided by the number of working people and pensioners. For example, Ivanov's share is 15,000 rubles. Now each year he has the right to receive dividends on this value, to hand down the share to an heir, and in case he leaves the farm—to receive land in kind free of charge. If he wants his allotment to be more fertile and closer to home the area of the plot, in conformity with the register appraisal, will be smaller. If he needs more land he then will have to be content with a plot located farther away and of poorer quality.

Another method of intra-farm redistribution of land is also possible—on the basis of the area of the lands. This variant is not as objective as the first but so far it is being used more often, since far from everywhere have they succeeded in carrying out a monetary appraisal of the land.

[Musiyenko] Usually the share of land of the kolkhoznik or sovkhoz worker is small—15 hectares, 30 at the maximum. But if a peasant leaving to "be on his own" needs more land?

[Khlystun] He has a right to take an additional parcel from the redistribution fund either on lease or in life, inheritable possession or to buy it through the local Soviet.

[Musiyenko] And will it cost him a lot?

[Khlystun] The price has not been set as yet. The draft RSFSR Law on the Land Tax, which has been submitted for the consideration of the Russian Supreme Soviet, envisages a small payment—about a ruble per hectare-point (ballo-gektar). This means that if the register appraisal of a parcel is 70 points its possessor or owner is obliged to pay in about R70 a year for each hectare. As far as the sales value of the land is concerned, then to prevent speculation we intend to limit it by a 50-fold land tax. That is, a hectare of the field in question will run the buyer R3,500.

[Musiyenko] What's the sense of coughing up the money if one pays the tax every year all the same?

[Khlystun] The purchase of land is a safe way of keeping spare cash. Having decided for any reason to give up individual farming, the owner has the right to sell the plot to the local Soviet. If the peasant has been able to increase its fertility, the land will be appraised higher than originally, so that the outlays will not be wasted. Moreover, unlike the tenant or the possessor, an owner can use the land, like any other immovable property, to get a loan at a bank, make a present of it or hand it down, also in ownership.

[Musiyenko] How do you regard the frequently expressed opinion that one cannot permit sales of land; otherwise, the "shady operators" will buy it up?

[Khlystun] I think that these fears are groundless. Almost nowhere is there private ownership of land in the form in which it existed in past centuries. There is a precise mechanism of state regulation of land ownership in the majority of countries. It is even more strict in the Russian Federation.

First of all, according to our laws land as property can be transferred only for the growing of agricultural products. The hiring only of seasonal workers is permitted and even that in insignificant numbers. And, you see, you can't hide land from someone else's eyes. And if it is obvious that one person has acquired a plot but that a completely different one invests in it, the land is confiscated, moreover without compensation. Secondly, we are establishing substantial limitations on the land area which one family can own and do not permit the emergence of latifundia. If the organs of state control in the person of the land reform committees unmask violations of the law they not only will confiscate the excess land but also will fine the guilty.

[Musiyenko] A final question. When will store counters become richer thanks to the reform?

[Khlystun] It is naive to expect that individual farmers, orchard men and vegetable gardeners, having received the land, will immediately fill us up with products. They need to stand on their own feet more firmly. However, I think that there will be a definite addition by autumn. You see, a real master will not overlook his advantages.

### Stroyev Commission Examines Regional Situations

914B0139C Moscow ZEMLYA I LYUDI in Russian  
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[Article by ZEMLYA I LYUDI correspondent T. Korsunskiy: "The High Roads and Country Roads of Land Reform"—paragraphs in bold are the ZEMLYA I LYUDI introduction]

[Text] The 28th CPSU Congress defined the conversion to a mixture of forms of management on the basis of the implementation of land reform as the main direction of the perestroika of the agro-industrial complex, the intensification of agricultural production and the improvement of the populations' food supply.

Such a task in itself is among those which party organizations and their committees have not had to solve as yet. Especially under conditions of a real multi-party system. All this requires a marked change in work style and a search for new forms of party influence.

How consistently and successfully is this work being carried on in the various oblasts and regions of the country? The CPSU Central Committee Commission on Agrarian Policy has organized several working groups to

study this. Their findings and conclusions were discussed the other day at a meeting of the Commission which CPSU Central Committee Politburo member Ye. S. Stroyev led. Today we are publishing the notes of our correspondent from this meeting.

### It Comes From the One Who Does

The village is at the crossroads. Ahead are not the two roads of the epic and not even three roads. And a very difficult choice lies ahead for precisely the one, by having embarked on which the peasant finally succeeds in interrupting the ever-deepening trend of the socioeconomic lag of the village behind the city and in securing a modern-day level of efficiency of agricultural production.

One can do little more than be amazed that our peasant has been confronted with the need for such a choice. In recent decades, it seems, not a single sector of the country's economy has enjoyed such attention as agriculture. A multitude of decisions were taken at the highest level and considerable funds were regularly earmarked for strengthening its material-technical base and social infrastructure, and the development of individual regions. And for all that, they did not permit this sector, which constitutes a third of the country's entire economy after all, to reach a modern level of development.

What's the cause for this? Perhaps the decisions themselves were wrong in principle? Or their practical implementation was unsatisfactory?

It seems that there is simply no unambiguous answer here, since the situation itself in the various farms, oblasts, and even regions is ambiguous. The majority of the kolkhozes and sovkhozes of Krasnodar Kray and certain oblasts in the Ukraine, Belorussia, Estonia and Latvia are not inferior, for example, to a number of countries of Western Europe. The farms of Stavropol, Belgorod and Orel oblasts and of Kazakhstan have been confidently approaching it in recent years.

Kokchetav Oblast, let's say, is not distinguished by any advantageous natural and climatic conditions. However, the average annual production of all types of agricultural output in the past five-year plan increased markedly here in comparison with 1981-1985. Thus, 15 percent more grain and potatoes were produced, vegetables—8, meat—45, milk—12, eggs—13, and wool—10 percent more.

The active position of party committees and the goal-directed work of soviet and economic organs in the practical implementation of the plans set for the social development of the agrarian sector contribute decisively to the increase in agriculture's efficiency. As a result the volumes of the utilization of allotted capital investments in the village in the 12th five-year plan increased by 55 percent in comparison to the previous five-year plan. More than 286 million rubles were used for construction and installation operations in the oblast's villages last

year alone. This is 28 percent more than the established plan and 13 percent more than in 1989.

The development and adoption on the initiative of the oblast party committee of a two-year program for the socioeconomic development of sparsely populated localities has proven to be very timely. In implementing this program the Agroprom organs and the sovkhozes and kolkhozes transformed 212 formerly extinct villages into full-blooded settlements. Some 54,000 persons now live in them. In two years 52,400 square meters of housing were built here and 24 schools, 26 children's pre-school institutions, 16 clubs, 11 libraries, 30 midwifery centers, just as many bath-houses, four personal service general reception offices and 102 production-type units erected.

It is very important that the measures for improving the social infrastructure of the villages were backed up by the intensification of the economic interest of the workers, kolkhozniks, managers and specialists in the end results of labor through the extensive introduction of intra-farm accounting and the mastery of new, progressive forms of labor organization.

Leasing has become widespread here. More than 76 percent of all brigades and links now work on its principles. Many production collectives have begun to separate out into autonomous intra-farm or even fully independent cooperatives. They now number 129 in cultivation and in animal husbandry. More than 100 cooperatives are operating in construction, personal services and public catering.

### Before A Blind Alley

However, it is far from everywhere that the implementation of decisions adopted is being accomplished so consistently, competently and successfully. As life indicates, more often the party, soviet and economic organs have in fact displayed helplessness and there has been little that they have been able to do to ensure the practical priority of the agrarian sector. In recent months many party committees, under the pretext of delimiting functions, have loosened contacts with the local soviets in the work of the practical realization of the land reform and the development of a mixed rural economy. Of course, in any case this cannot contribute to a very rapid solution of the problems of the village.

And a great deal has to be done. As before the housing problem remains acute. During the years 1980-1990 the rural housing fund grew one and a half times slower than the urban fund. And this at the same time that more than a third of the total volume of new housing in the village has been erected through the personal funds of the kolkhozniks and sovkhoz workers. And since 1987 there has been a general trend of reducing the commissioning of housing. In 1990 alone some three million square meters of housing less were handed over in the kolkhozes and sovkhozes than in 1989, including 1.7 in the Russian Federation and almost 300,000 square meters in the Ukraine and Uzbekistan. The construction of schools

has declined by 16 percent, that of pre-school institutions by 22 percent, and that of clubs and houses of culture by 31 percent.

Marked improvements in the living conditions of rural inhabitants have also not been achieved. Only 4,000 rural settlements have natural gas. This is less than one percent of the total number of villages. Some 2.5 times less electric power is consumed in the village per inhabitant than in the city. Only 45 percent of the collectivized housing is equipped with a water supply, sewerage and central heating and the individual housing fund, whose share amounts to 70 percent in the village, are practically not provided with public services and amenities at all. More than half of the rural inhabited localities lack medical treatment facilities. Over 20 percent of regional and district hospitals were built before 1941 and 12 percent—before the revolution.

The base of the cultural life of the village and the organization of public education also lags seriously behind. Two-thirds of the villages don't have their own schools. Their total number has dropped 18 percent in the last three five-year plans and every fifth one operates on 2-3 shifts. The supply of children's pre-school institutions comes to only 40 percent of the need. Every fourth club is located in improvised premises and the number of mass libraries has been cut.

The conclusion of the sociologists is that the existing base of educational and cultural institutions seriously reduces the possibilities for shaping an active attitude to life among rural inhabitants. This cannot help but affect the entire ethical and moral atmosphere.

There is 2.3 times less retail trade turnover per capita of rural population than in the city. The personal services situation is similar. According to correlated data, about 75 percent of the building materials acquired by the peasants comes from second-hand dealers and speculators.

A further polarization in the level of the incomes of the population is also taking place. Whereas in 1985 the average per-capita income of a family of employees and workers of industrial enterprises exceeded the income of a rural family by 475 rubles, in 1989 it was already by 597 rubles. And this at the same time that a family gets every fourth ruble from additional work on the personal plot.

The fact, however, that difficult working conditions continue to prevail here has a very unhealthy affect on the level of agricultural production. At the present time, for example, integrated mechanization has not been introduced in a single one of the branches of crop production while its level comes only to about 66 percent on livestock farms. Two-thirds of all workers, and among women—80 percent, are engaged in manual operations. The power/worker ratio of our agriculture is three times lower than in the developed countries of the West.

Especially alarming is the fact that no one has succeeded in stopping the mass outflow of people, primarily young people, from the village. During the last 10 years about 200,000 professionally trained specialists have left for the city every year. As a result the shortage of cadres in the kolkhozes and sovkhozes now amounts to 1.7 million persons. The Russian Federation alone is short more than 300,000 persons, including 56,000 animal husbandmen and more than 100,000 machine operators and motor vehicle drivers. The so-called "bride problem" is also becoming acute. For the country as a whole for every 1,000 women aged 16 to 30 in the rural areas there are 1,073 men of the same age, but in Belorussia—1,208 and in Lithuania—1,184.

Questions of provisioning the village's social sphere also require urgent solution. Thus, in 1990 rural inhabitants, who constitute 34 percent of the country's total population, had only 16 percent of the workers in public health, 30—in public education, 22—in culture and art, 17—in trade, and 12 percent of the workers in public catering.

To a considerable extent all this is a consequence of the errors related to the division of villages into promising and unpromising, the policy of liquidating small villages, the orientation on multi-storeyed buildings in the central farmsteads of kolkhozes and sovkhozes, limitations on the development of personal farmyards, and the lack of attention of a number of ministries and departments to the fulfillment of rural construction targets. The weak base of the rural construction industry and the low level of the fitting out of rural construction organizations with equipment substantially restrain the rates of village transformation.

Urban builders also have not become more active in participating in the erection of projects in the village. There is a marked reduction in the work they perform for the agro-industrial complex. Whereas in 1986 their share in the total volume of rural construction amounted to 17 percent, in 1990 it had fallen to 14 percent. The kolkhozes and sovkhozes already put up 54 percent of the houses themselves while looking for additional building material resources on the basis of direct ties through barter at patently unfavorable terms. The existing rates of road construction also do not ensure the fulfillment of planned targets. Only a third of the need of the kolkhozes and sovkhozes for the development of a network of intra-farm roads has as yet been met. The severe shortage of pipes and special equipment continues to remain the chief brake on the fulfillment of plans for supplying gas to the villages. Any participation of industrial enterprises and urban organizations in this important matter has practically ceased in the last two years.

#### **And Again a Repeat of What Has Gone Before**

Of course, the entire set of these problems did not become obvious either today or even yesterday. They were accumulated and aggravated over the years. And it seems that one of the main reasons that one did not



manage to resolve them effectively was the monovariant character of approaches which don't take account of the specifics of the different republics and regions of the country.

Now the parliaments and governments of certain republics have developed and intend to implement their own programs for bringing the agro-industrial complex out of a crisis situation. In the Ukraine, for example, the transfer to rural inhabitants of half of the republic's market allocations for motor vehicle transport and of 90 percent for building materials is envisaged. The government envisages writing off all types of bank loans made for the construction of projects in the social sphere from the kolkhozes and sovkhozes.

In order to sharply accelerate the solution of social problems in the village and to ensure the revival of the Russian village, the parliament of the RSFSR took a decision in November of last year to allot not less than 15 percent of the republic's national income for this purpose in the next few years.

In addition, the all-union ministries and departments together with the governments of the union republics have developed a number of goal-directed program such as, for example, the "State Program for the Supplying of Gas and Electricity to the Village and Providing Rural Houses with Self-Contained Engineering Systems and Equipment" and the "State Program for the Development of Education in the Village in 1991-1995."

One can talk a great deal about the merits and faults of all these programs together and separately. However, it appears that this is not the subject on which attention should now be concentrated. Our experience over many years has shown that many of our programs, including those theoretically faultless, have one shortcoming that cancels out everything—their unthinking implementation or non-fulfillment in general.

Unfortunately, the first symptoms of such a disease are already beginning to appear. The actual allotment for the social infrastructure of the village of only six percent of the national income by the RSFSR government instead of the 15 percent contemplated by the II Congress of Peoples' Deputies became one of the main reasons for the criticism of the leadership of this republic on the part of agrarian deputies at the special III Congress. One cannot help understanding their demands. The conversion to market relationships, the new financing and pricing conditions, and the granting of complete independence to enterprises and organizations in determining the cost of construction have greatly limited the opportunities of the kolkhozes and sovkhozes. Under these conditions the reduction of centralized capital investments will lead, instead of the anticipated accelerated development of the Russian village's infrastructure, to a reduction of the volumes of the commissioning of production purpose, road, and social sphere projects not only in comparison with the plan but also with the 12th five-year plan.

### The Correct Answer Presupposes Variants

However, no matter how complex the problems of the village infrastructure, providing it with resources and even their solution are—these are only the prerequisites for accelerating the intensification of agricultural production. The main engine of the process is ensuring the maximum personal interest of each rural toiler in the results of his own labor through a change in the forms of the ownership of land, the means of production, and output.

What should be these forms of ownership and production relations?

As the first experience of their perestroyka accumulated in the farms of different regions of the country indicates, to give an unequivocal answer to this means repeating the same mistake which already has been made once. In the farms of Azerbaijan, for example, neither individual farms nor even the leasing of land are taking root. However, a clear-cut process of increasing the number of kolkhozes through the breaking up of giant collective farms and the transformation of the sovkhozes has appeared. And these processes are being predetermined not by the ideological positions of the Communist Party of the republic or of its other political forces, but by a completely different factor—land-hunger and agrarian overpopulation. Precisely this leaves its specific imprint on the choice of the forms of land use and of production organization principles in the other republics and autonomous areas of the North Caucasus, the Transcaucasus, and Central Asia.

Last year, for example, in many farms of the most varied corners of the country the kolkhozniks and even sovkhoz workers have converted to the share system of possessing the land and the basic means of production. It is well known that the people in the kolkhoz imeni Ordzhonikidze of Akushinskiy Rayon in the Dagestan ASSR were one of the first to use it. However, while having arisen in Dagestan, this system did not receive wide dissemination here. And what is more, among the initiators themselves and in several farms which had followed their example, matters didn't get better and conflicts arose amongst the ordinary toilers. The oblast party committee began to study the causes of such phenomena. The unequivocal conclusion is being overlooked—behind the external subjective situations it is primarily the shortage of arable land that shows through.

This factor just now predetermines the singularity of the implementation of the land reform in Uzbekistan as well. In Fergana Oblast, for example, there are only 0.13 hectares of arable land on the average per inhabitant. A surplus of labor resources is to be observed practically everywhere here. Many people simply can't get work where they live. This is painfully reflected in the population's standard of living and its moral and psychological state. Under these conditions the Central Committee of the Communist Party of Uzbekistan and the republic's Supreme Soviet and Council of Ministers took a

decision concerning the substantial expansion of the use of the backyard land of kokhozniks, sovkhoz workers and citizens and the development of individual housing construction. And the response and support of the people has been very warm. In the process of its implementation in Fergana Oblast alone some 25,800 hectares of land were distributed as backyard plots in 1989 and 1990. The backyard land use fund has increased by 41 percent and has reached 43,100 hectares in all. Moreover, the number of families having backyard plots has increased from 242,000 to 340,000.

Another 14.6 [sic] hectares of land is being allotted this year in accordance with an edict of the President of the Uzbek SSR for the expansion of existing and the creation of new farmyards of rural inhabitants and 1,935 hectares will be allotted for the development of city dweller's orchard cultivation and vegetable gardening.

All this work, begun at the initiative of the Central Committee of the republic's Communist Party, is being carried out under the constant supervision and with the organizational and political support of the local party organizations. They coordinate and direct it through communists working in the soviets, economic organs and public organizations. Thus, questions related to the implementation of the land reform in Fergana Oblast have already been examined twice at plenums and five times in the bureau of the oblast party committee and repeatedly at sessions and meetings of the ispolkom of the oblast soviet of peoples' deputies, in the oblast agro-industrial union, the oblast trade union council, party raykoms, rayispolkoms, and rayon agro-industrial unions. Moreover, not only were specific measures developed for the fulfillment of what had been planned but the course of the land reform was also monitored. Persons who permitted sluggishness and breakdowns in the work were called to account. Special commissions of deputies were created in the oblast and rayons to coordinate the activity of the various organs in the conducting of the land reform.

Last year alone 50 million bricks and a considerable quantity of cement, lumber and pipes were sold to provide amenities for the newly created farmyards as rapidly as possible. With this some 790,000 square meters of housing were commissioned and the target for the construction of water supply networks overfulfilled 1.6 times and that for gas lines—2.2 times.

As a result of all this work in 1990 alone the volume of purchases of fruits and vegetables from personal backyard plots grew in the oblast by 25,000 tons, the total number of large horned cattle in the individual sector—by 21 percent, cows—by 16, and sheep—by 35 percent. In 1991 the share of personal plots in the total volumes of meat production reached 61 percent in the oblast and 58 percent for fruits and vegetables.

Of course, such a redistribution of lands, including those being irrigated, cannot help but pose new problems. The area of the arable land in the kolkhozes and sovkhozes

has shrunk by 13 percent. As a result last year they reduced the volumes of the production and sale to the state of cotton by 10 percent. And this in turn cannot help but affect the interests of the textile industry. However, it appears that at this junction of the technological and economic chain—processing the raw material and getting the thread—there are sufficient reserves to compensate for such a decrease in the volumes of cotton purchases. For this one should first of all provide standard warehouses at every processing enterprise and every spinning factory and not store the cotton under the rain and snow, as has been widely practiced in recent decades.

The directions chosen in the implementation of the land reform and the tactics of the transition to market relationships will yield a real return in an increase of the production of agricultural output only when they are developed on the basis of specific natural and demographic conditions and the interests of all categories of the population and not only of purely ideological or political slogans. All these objective factors in the non-black earth zone of Russia, for example, markedly differ from those that we have in the Transcaucasus or the Baltic republics. Large land areas and the shortage of workers make it possible to develop here practically all forms of management of the land—individual and collective leasing and individual farming, the consolidation of personal backyard plots, and the expansion of collective orchard cultivation and vegetable gardening. The party organizations and their committees are now directing their organizational work to the creation of the conditions for the extensive introduction of all these management forms and their practical support.

Land reform and land resources committees have been created in Yaroslav Oblast, for example, at the initiative of the oblast party committee. This has permitted rapid completion of work on compilation of a land register and on land demarcation as well as determination of the areas which can be put into a reserve for subsequent creation of peasant farms and orchard cultivation and vegetable gardening cooperatives.

An association of peasant (individual farmer) farms and agricultural cooperatives has been created in the oblast. The secretary of the oblast party committee is on the council.

As a result of the joint organizational efforts of party organizations and soviets of peoples' deputies at all levels the number of those wishing to run an independent peasant farm is steadily growing. Whereas by 1 January 1991 there were 102 persons, during January and February alone about 100 more applications for the organization of one's own farm were handed in.

However, in the course of the land reform it is important not only to support the people who are ready to take on themselves the difficult work of running a commercial (tovarnoye) farm on their own but also to take care that the land not be squandered but go to those who want and

know how to work on it. Two production training centers for the training of independent farmers have been organized for this purpose in Yaroslav Oblast by the joint efforts of the land reform committees and the association of peasant farms. They will give their students the necessary minimum of knowledge in agronomy, animal husbandry, financial policy and book-keeping, and agrarian legislation. The certification of independent farmer candidates is carried on at the same time.

However, despite this, the expansion of the independent farmer form of management proceeds with difficulty. The shortage of money, equipment, and resources substantially hampers the formation of peasant farms. In order to relieve the acuteness of this problem, the oblast soviet of peoples' deputies has decided to interest industrial enterprises and organizations in giving support to peasant farms. For this purpose a decision was taken at its session to exempt enterprises from that portion of the payments to the oblast budget being taken from the profit which they direct to the development of peasant farms. Payments from the amount of bank credits obtained by independent farmers under the guarantee of these enterprises are to be reduced by 10 percent for the enterprises that are guarantors of peasant farms.

In recent months the party committees, soviet and economic organs of Vladimir Oblast have markedly accelerated their organizational work for the creation of peasant farms. By the beginning of the year 92 such farms were in operation here. The applications of another 160 persons are now being examined. In order to grant such enterprising people every opportunity for work, measures for the breaking up of low-profit and unprofitable kolkhozes and sovkhozes are now being considered here. Moreover, the party committees are trying to organize things so that the peasant farms would develop with the daily assistance of the sovkhozes and kolkhozes and with active help and servicing on the part of the public sector.

However, in the farms of Vladimir Oblast precisely as in Yaroslav Oblast and in other oblasts of the non-black earth area, the introduction of leasing principles in the organization of production both within the framework of the kolkhozes and sovkhozes and in the framework of independent cooperatives is progressing more actively and, above all, more successfully. Thus, 711 lease collectives, more than 500 of them in livestock breeding, and 28 agricultural cooperatives are now in operation in the farms of Yaroslav Oblast alone.

Difficulties not so much in the organization as in the development of the peasant farm are not a specific feature of any region. They are practically the same both in the expanses of Volgograd Oblast and in the steppes of Siberia. In Novosibirsk Oblast, for example, 59 such farms have already been organized and have begun practical work. They have been given more than 3,000 hectares of land. The Land Reform Committee which was created here also at the initiative of the oblast party

committee now has another 508 applications. Considering the active work in allocating 10 percent of all agricultural lands to a special land fund in accordance with a decision of the oblast executive committee, there will not be any insurmountable difficulties in allotting land for new independent farmers.

However, as the members of the working group of the CPSU Central Committee's Commission of Agrarian Policy, who have studied the practical work in the implementation of the land reform in this oblast, have noted, these measures do not guarantee either the rapid development or even the survival of the independent farms being created. The difficulties that lie in wait for them are the same as in the Yaroslav land—the acute shortage of loans, equipment and resources. In our view, the lack of any kind of experience in running a farm independently is still important. It is felt especially sensitively in the present unstable economic situation of the first hesitating steps towards the market.

The consequence of all this is farms which have collapsed and independent farmers who have failed. Apparently, for all who are participating in the practical implementation of the land reform and the introduction of new forms of management, including that of the independent farmer, it would not be out of place to adopt the well-known principle of the scientists which says that a negative result of an experiment is also a result. We need good knowledge of an unsuccessful experiment and of the reasons for the collapse of failed independent farms so that those who come after do not stumble over the same thing as those who paved the way.

In order for us not to discredit in the very initial stage work which indeed can assist in the rapid rebirth of the village we ought to study failures and the reasons for them, not waiting for life itself to put ready-made experience of a more accepted character—positive—at our disposal.

## REGIONAL DEVELOPMENT

### Kazakhstan Moves to Improve Food, Supply Situation

#### Presidential Decree Outlines Measures

914B0148A Alma-Ata KAZAKHSTANSKAYA PRAVDA  
in Russian 27 Mar 91 p 1 1

[Ukase of the president of the Kazakh Soviet Socialist Republic on urgent measures to establish conditions for the self-supplying of the republic's population with food products, 26 March 1991]

[Text] In order to establish conditions for the self-supplying of basic agricultural products to citizens through their own production, stabilize the supplying of food products to the population during the transitional

period to market relations and restrain price increases in the market, I decree that:

1. The executive committees of local soviets of peoples deputies allocate the necessary areas of suitable arable and other agriculturally designated land to all needy citizens of the Kazakh SSR (first of all, to city and worker settlement inhabitants) by 20 April 1991 for market-gardening, gardening, the conducting of animal husbandry, and also for peasant or subsidiary small-holdings. The land allotted to the citizens should be located within easy transport access.

2. The directors of enterprises, institutions and organizations submit to the appropriate soviet of people's deputies within a ten-day period applications on allocating plots for gardening and market-gardening to their workers.

The executive committees of local soviets of peoples deputies and the land use service insure an effective review of the above-mentioned petitions as well as individual applications from citizens.

The establishment by a temporary document of the right to possess and use the plots until the issuance of state acts permitting the allocation of the land by the local soviets of people's deputies.

3. The executive committees of city and rayon soviets of people's deputies and the directors of enterprises, institutions and organizations:

- examine the condition of the road network to the public kitchen-gardens and garden plots and allocate the necessary financial and material resources to improve it;

- allocate departmental motor transport to carry citizens to the locations of the garden and kitchen-garden plots and also establish additional public motor transport routes;

- provide continuous help to citizens in building garden huts, farm structures and premises for storing products by selling construction materials and offering services and preferential credits.

4. The Kazakh SSR Ministry of Trade, Kazakh SSR Union of Consumer Cooperatives, Kazakh SSR Ministry of Agriculture and Food, and the executive committees of local soviets of people's deputies:

- provide for the sale of agricultural implements, construction materials, mineral fertilizers, seeds, seedlings, young plants, pesticides, young animals and poultry, grain fodder, and manufactured feed concentrates to citizens in the necessary amounts;

- arrange for the sale, leasing and renting of agricultural and special equipment.

- working together with the mass information media, provide highly qualified advice on the management of a private plot; the growing of vegetable, fruit and berry crops and potatoes; and measures to combat pests and diseases.

5. The Kazakh SSR State Committee for the Economy, Kazakh SSR Ministry of Industry, Kazakh SSR Ministry of Agriculture and Food, Kazakh State Concern for Agricultural Machine Building and Services, oblistpolkoms, and Alma-Ata Gorispolkom take steps to organize the production of small agricultural equipment and implements by the republic's industrial enterprises.

6. The executive committees of local soviets of people's deputies; Kazakh SSR Union of Consumer Cooperatives and its agencies in the local areas; and directors of sovkhoses, kolkhozes and trade and procurement and processing and public catering enterprises:

- insure the purchasing of the population's food product surpluses;

- organize receiving points to purchase agricultural product surpluses at kitchen-garden and garden association plots using contract prices, having supplied them with packaging and wrapping materials;

- provide services in processing the fruit and vegetable products grown by the citizens.

7. It be recommended to citizens, who have been allotted the plots and who have produced the appropriate products on them, that they make maximum use of the fruit and vegetable products and their residues to make juices and primary wine material. The republic's fruit processing enterprises must insure the receipt of these from the population for further processing.

The Kazakh SSR State Committee for Prices must establish delivery prices for these products that insure the population's personal interest and below which there is no acceptance.

8. Based on production conditions, state organizations and enterprises grant workers and employees short-term leaves without pay to perform seasonal work in connection with the planting of potatoes and vegetables, the preparation of feed for animals, and the harvesting of crops on the personal plots and garden and kitchen-garden lots.

It is necessary to establish conditions so that workers can work completely on Saturdays and Sundays on their plots with the exception of cases caused by the continuity of production processes or the need to remain as responsible personnel on duty.

9. The establishment of personal responsibility on the part of the directors of the executive committees of local soviets of people's deputies, kolkhozes, sovkhoses, and other agricultural enterprises for the timely allocating of land suitable for gardening and kitchen-gardening to the population and the providing of the necessary help to the population in this matter.

10. The ispolkoms of oblast soviets of peoples' deputies inform the Kazakh SSR Cabinet of Ministers by 1 July 1991 and by 1 January 1992 of the progress in realizing this ukase.

*[Signed] N. Nazarbayev, President, Kazakh SSR, Alma-Ata, 26 March 1991*

### Deputy Chairman Hopes for Changes

914B0148B Moscow SELSKAYA ZHIZN, in Russian  
2 May 91 p 2

[Article by A. Shukhovtsov, deputy chairman of the Kazakh SSR Supreme Soviet Committee for Agrarian Questions and Food: "Hope for Change"]

[Text] People are tired of the uncertainty, lack of knowledge of what tomorrow will bring, shortages, disruptions, political jabbering, and interethnic bickering. The people want order. That is why the declaration of the USSR president and the leaders of the highest state agencies in nine union republics was welcomed in Kazakhstan with hope for future changes which would finally halt the disintegration process in the country.

Our republic has recently found itself in a serious situation. Kazakhstan is losing millions of rubles because of the imbalance in the prices for raw materials and end products. For example, we would be able to increase our income by 1.2 billion rubles by processing wool at the local areas and by 250 million by processing durum and hardy wheat grain and cereal crops. The profit from Kazakhstan cotton, leather and Astrakhan fur accumulate in other republics. The sale of unprocessed raw materials from mining and the petroleum and gas extractive industries brings even more losses. Previously, however, state budget subsidies compensated the republic for the defects in the prices. This source has turned out to be empty this year.

If steps are not taken, we will have no other recourse except to raise prices for the raw materials that the republic exports. A price reaction will follow this in the commodity market. It is evident that the union of nine, as follows from the declaration, will remove this problem now. All trade transactions with those, who do not sign the agreement, must be carried out using world prices.

Many problems have accumulated in the village. Judging from meetings with the voters, the most acute ones are the disruptions in supply and the uncompensated price increases for industrial products. Farm directors have been transformed into bread-winners of material assets. They rob the village blind. They ask enormous prices or demand grain, meat, butter, and other products for the delivery of construction materials and spare parts and for services. The kolkhoz chairman or sovkhov director, who fusses about the cities and villages can find something even if only under crushing conditions. But how about the farmer?

It is good that the declaration outlines ways to emerge from this problem. The central and republic agencies will carry out coordinated actions to fulfill planned deliveries of material resources to agriculture and agroindustrial complex enterprises. A decision on maintaining equivalent relations between agriculture and agroindustrial complex enterprises and other branches of the national economy will also be worked out and adopted.

The main thing now is not to leave the declaration, which the country's president and republic leaders signed, on paper.

## POST-PROCUREMENT PROCESSING

### Better Incentives For Grain Farmers Needed

#### Procurements Fail To Match Harvest

914B0142A Moscow PRAVITELSTVENNYY  
VESTNIK in Russian No 10, Mar 91 p 4

[Article by I. Kuzmin, deputy chief for Main Administration of the State Committee for Food Goods and Procurements: "Incentive for a Grain Farmer"]

[Tet] The USSR Cabinet of Ministers has adopted a resolution calling for additional grain from last year's harvest to be procured during the first quarter of 1991 for the state's resources. This resulted from the fact that only approximately 68 million tons of grain were procured of the 85.3 million tons called for in the goszakaz [state order]. For the purpose of comparison, it should be noted that in, 1978, 96 million tons of grain were procured from a similar gross yield for the state's resources.

There is good reason for the people maintaining that grain is of extreme importance. For it is precisely grain from the state resources that is used for producing our flour, baked goods, macaroni, confectionery and other products and for animal husbandry—forage.

A disruption in the state order (and unfortunately this phenomenon is appearing in all areas) has led to a situation today in which the population in many regions throughout the country is experiencing interruptions in the supply of baked products. Sharp shortages in raw materials are being noted at mixed feed enterprises.

Allow me to repeat once again—the harvest was good. And yet many kolkhozes and sovkhovs decided to hold back their grain, despite the fact that the country's government persistently strived to interest the farms in increasing their deliveries. The purchase prices were raised on average by a factor of 1.5, the purchasing of grain for currency was introduced, deficit logistical resources and consumer goods were made available and a number of other measures were undertaken.

Did these measures produce results? Certainly. For example, more than 15,000 farms, relying upon these incentives, sold grain to the state over and above their contractual obligations. One sovkhov, for example, the imeni Mamshuk Mametovoy Sovkhov in Tselinograd Oblast, fulfilled its sales plan almost twice.

At the same time, the overall result turned out to be lower owing to the fact that obligations in behalf of the

peasants were not clearly fulfilled. The collectives of many industrial enterprises, that had failed to deliver equipment and materials in the amounts planned, were guilty in this regard. In particular, here we have in mind trucks, autobuses, bulldozers and truck-mounted cranes. The same situation prevails in the case of consumer goods. For example, the Dushanbe Refrigerator Plant did not fulfill its obligations, the Kiev PO [production association] of USSR Minaviaprom [Ministry of the Aviation Industry] and the Pavlodar plant of USSR Minavtoselkhoz mash [Ministry of Automotive and Agricultural Machine Building] failed to complete their deliveries of washing machines and the Podolsk plant in Moscow Oblast—sewing machines. The Lvov "Elektron" PO alone failed to turn over to the Ukrainian potreboyuz [union of consumers' societies] 30,000 television sets needed for satisfying the rural requirements.

Thus, in its present resolution the USSR Cabinet of Ministers defined strict norms for the sale of grain for equipment and it added construction materials to this list. For example, in order to earn the right to obtain a small "Volga" GAZ-2410 automobile ahead of schedule, one must sell 500 tons of grain, an autobus—400 tons, and a tractor—250 [tons]. Similarly, one ton of cement "costs" six tons of grain, rolled metal—five tons, and so forth.

The possibility of the farms selling grain for freely convertible currency is continued (it is noted that last year more than two million tons of grain were purchased in this manner). However, the system of accounts and the arrangements for the issuing of currency have now been simplified considerably. There is still one other important aspect. The purchasing of grain and accordingly the sale of resources to kolkhozes and sovkhozes are not dependent upon the results realized from 1990 contractual obligations.

Finally, there is the last point to be mentioned. Consumer cooperation is also linked to grain procurements from kolkhoz members and sovkhoz workers who obtained their grain in the form of payments in kind for work performed. Here norms have also been defined for the counter sale to them of both domestic and imported consumer goods.

In order to organize additional grain procurements more rapidly, the State Commission on Food and Purchases, jointly with USSR Gosnab [State Committee for Material and Technical Supply of the USSR Council of Ministers], held a meeting with the leaders of grain products associations in the RSFSR, the Ukrainian SSR and the Kazakh SSR. Jointly we not only defined the operational trends, the methods for carrying out the work and the forms for interaction, but in addition we analyzed our achievements and mistakes. We drew the conclusion that more active assistance from USSR Gosplan [State Planning Committee], USSR Gosnab and USSR Mintorg [Ministry of Trade] would soon produce additional grain for the state resources. And the grain and mixed feed situation will change for the better.

### Farmers Have Reason To Hold Grain

914B0142B Moscow SELSKAYA ZHIZN in Russian  
26 Apr 91 p 2

[Article by A. Ignatyev, TASS correspondent, Moscow: "Grain for the Exchange"]

[Text] Although it was not too long ago that the exchanging of a brick for a loaf of bread was viewed as extremely unfair, today this practice has not only become the norm but in fact it exceeds all reasonable bounds. The prices for grain have remained at the levels for last year while the prices for brick, especially on the free market, have increased considerably. However, at the state level the practice of exchanging grain for industrial goods differs very little from the market system.

Thus the "Leninskiy Shlyakh" Kolkhoz in Veselinovskiy Rayon in Nikolayev Oblast earned the right to acquire 50 tons of cement only after it had sold 250 tons of grain to the state, and the Yermeyevskiy Sovkhoz in Omsk Oblast was able to obtain 50 tons of pipe only after it had turned over 300 tons of grain. The farms are forced to engage in this type of exchange by the logistical supply system, since it is extremely difficult to obtain deficit materials with the use of funds. Otherwise, who would be willing to turn over 350 tons of grain at the old prices in order to purchase a truck at the new prices. And in order to obtain a "Volga" automobile based upon a so-called counter sale, one must deliver 500 tons of wheat to the state at the existing purchase prices and subsequently pay more than 30,000 rubles.

Such a price mechanism reflects our attitude towards the fruits of the labor performed by agricultural workers. For the purpose of comparison, it can be said that if an industrial worker roasts three and a half tons of "free" clay, then his product can be freely purchased at the Moscow exchange for almost 600 rubles. Grain, the yield of which can only be viewed as a harvest struggle, is turned over to the state by the farms at an average price of 300 rubles per ton. But this money, obtained freely by means of such labor from the state, cannot be used for purchasing brick at the state prices. And indeed we have in mind here first-class grain according to the international standards, which cannot be said regarding brick, trucks or tractors.

And what will be the result of such an exchange? Last year turned out to be a productive one for the majority of our agricultural crops and yet such a gross yield in 1978 produced 96 million tons of grain for the state resources. And approximately 68 million tons of grain were turned over to the state from last year's harvest.

Of 62 oblasts, krais and autonomous republics in the Russian Federation having a state order for grain deliveries to the all-union fund, 51 obtained grain crop yields in excess of their plans. Only 10 oblasts fulfilled their state order for grain.

"In analyzing the status of affairs with regard to grain procurements from last year's harvest, one draws the conclusion that the vicious practice of holding back grain sales to the state is spreading throughout many rayons and oblasts. The farms are endeavoring to use grain for other purposes to the detriment of national interests," stated the deputy chief of the Main Administration for State Food Resources of the State Commission on Food and Purchases of the USSR Council of Ministers, I. Kuzmin. As a result, the kolkhozes and sovkhozes undersupplied the state resources by more than 17 million tons of grain as called for in the state order. Thus, in particular, an acute shortage of grain is being experienced at the present time at the mixed feed enterprises. They are unable to fully satisfy the feed requirements of poultry factories and large animal husbandry complexes. This is bringing about a considerable reduction in the number of animals and in the productivity of the livestock and poultry. It should not be forgotten that each kilogram of bread is being baked using flour produced at state milling enterprises. The question might very well be asked where the wheat is to come from if it is not sold to the state by farms? Thus we are forced to purchase grain abroad, despite the fact that many kolkhozes and sovkhozes have considerable grain surpluses. According to the most humble estimates, they could sell not less than three million tons to the state at the present time without causing any harm to themselves.

In the interest of carrying out the program of urgent measures approved by the President of the USSR, aimed at improving the food situation in 1991, satisfying the population's requirements for grain, groats and baking and macaroni products and ensuring a stable supply of mixed feed for the poultry factories and livestock husbandry complexes, the USSR Cabinet of Ministers handed down a decision calling for the additional procurements of grain during the first six months (prior to 1 June 1991) from the 1990 harvest of kolkhozes and sovkhozes for delivery to the state resources.

For the purpose of stimulating these procurements, the government of the USSR has made available small automobiles, trucks, other items of equipment and construction materials. The farms can obtain all of these items regardless of the results realized from fulfilling their contractual obligations for 1990.

In order to obtain the right to purchase a small "Moskvich-2141" automobile, one must sell 400 tons of grain, an autobus—400, a powered grader—600 tons. In order to purchase one ton of cement, one must turn over to the state six tons of grain and in the case of rolled metal—five tons.

The decision by the USSR Council of Ministers also calls for grain to be purchased from kolkhozes and sovkhozes for the state resources using freely convertible currency, with payment being made in accordance with the currently existing rate of exchange for the ruble. The system

of accounts and the arrangements for issuing currency to the farms for the grain sold by them have been simplified considerably.

Earlier a decision was handed down calling for additional grain procurements for the state resources by means of the counter sale of consumer goods through consumer cooperation organizations. Kolkhozes and sovkhozes can acquire domestic and imported motorcycles, refrigerators, television sets and washing and sewing machines for the purpose of stimulating their labor collectives and also for directly stimulating agricultural workers in behalf of grain sales to the state, with such items being obtained in the form of payments in kind.

It is hoped that prior to 1 June the farms will turn over their surplus grain in order to obtain these needed material resources.

And how will the kolkhozes and sovkhozes respond to the prospects for such an exchange in the future? By 1 April, against a state order calling for 77 million tons, the farms contracted for 51 million tons of grain, or 25 million tons of grain less than last year. In the RSFSR alone, contracts were signed for almost 19 million less tons than for this same date last year. And indeed it is precisely this contracting for grain operations that serves as the organizational basis for grain procurements. For it reflects the degree of readiness of the farms to turn over grain to the state. And the status of affairs here provides no basis for optimism.

Nevertheless, against a background of endless strikes by miners and representatives of other professions, the position taken by our agricultural workers can only arouse profound respect. Notwithstanding their disastrous situation, just as in the past they are continuing to work in a conscientious manner. But how long will their patience last? Earlier many of them protested against those who abandoned their native villages and left for cities in order to work at industrial enterprises. At the present time, they are finding many objective reasons for reducing their crop areas and holding back their grain in granaries, while attempting to exchange it for more advantageous conditions for themselves. And a need exists here for a new wave of appeals calling for grain to be turned over to the homeland. It is obvious that the state must change radically its policies as they affect the peasants. The time is finally at hand for paying our own peasants, for results in excess of the state order, the same amounts in currency that are being paid to Canadian farmers. Yes and those industrial enterprises which produce equipment and construction materials for the rural areas must, under market conditions, curtail their appetites. At the grain exchanges which are actively being created throughout the country, there is hardly one individual who would exchange a kilogram of first class grain for a piece of poorly roasted clay.



**Grain Wastage at Ukrainian Kolkhozes Scored**

PM2604083791 Moscow Central Television First  
Program Network in Russian 1800 GMT 23 Apr 91

[From the "Vremya" newscast: Report by G. Klimov and A. Gritsenko, identified by caption]

[Text] [Announcer] Staffers of the Dnepropetrovsk Group of the Ukrainian KGB Administration for Combating Economic Sabotage have investigated the safe-keeping of the harvest. Our correspondent comments on the footage provided by the Ukrainian KGB Administration.

[Klimov] Economic sabotage presupposes deliberate, purposeful actions to cause damage to the state. Therefore I must clarify at the outset—there is no evidence of criminal intent in this case. However, the criminal mismanagement which the KGB staffers have exposed is no less harmful to society, both by its consequences and by its mundane, commonplace nature.

Some 110 tonnes of grain from last year's harvest have been tipped into this silage pit at the kolkhoz [collective farm] named for Katovskiy. The farm director explains that the grain, which had partially germinated, had to be written off as animal feed. It wouldn't be so bad if it had actually been used for this purpose. But the cows refuse to eat it.

This is the "Progress" kolkhoz in the selfsame Pyatikhatskiy Rayon. The banks, and especially the bottom, of this kolkhoz pond are covered with a thick layer of grain from last year's harvest. Here they have decided to "feed" the grain that had begun to germinate to the fish. They dumped it in the pond to cover their tracks.

Take a look at these pictures. Threshing of sorghum from the 1990 harvest is still in progress. At best, 30 percent of the grain from the 40 hectares which has not yet been threshed will be salvaged.

No doubt, these pictures contain at least part of the answer to the question of how it is possible to be destitute and on the brink of starvation after a bumper harvest.

The prosecutor's office will investigate this case. However, the whole unseemly picture revealed here makes you fear for this year's harvest.

**MACHINERY, EQUIPMENT****RSFSR Decree on Supply, Support**

914B0147B Moscow SELSKAYA ZHIZN in Russian  
1 May 91 p 2

[Decree of the Presidium of the RSFSR Supreme Soviet and the RSFSR Council of Ministers "On Increasing the Responsibility of Enterprises, Associations, and Organizations for Failure To Deliver Material and Technical

Resources to the RSFSR Agro-Industrial Complex and Agricultural Products, Raw Material, and Food to State Resources in 1991"]

[Text] The Presidium of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet and the RSFSR Council of Ministers hereby **decrees**:

1. To make it incumbent on enterprises, associations, firms, groups, concerns, and other organizations located on the territory of the RSFSR to provide for priority delivery to the agroindustrial complex of tractors, trucks, combines, fuel and lubricants, construction materials, packaging materials, mineral fertilizers, spare parts, and other products, irrespective of the fulfillment of production plans and of departmental jurisdiction.

2. To determine that the soviets of people's deputies and their executive organs provide for the delivery of grain, grain products, meat and dairy products, vegetable oil, sugar, fruit and vegetable products, and other food and raw material resources into the Union and republic (RSFSR) supplies under orders issued by the RSFSR Ministry of Trade, the RSFSR Ministry of Grain Products, and the RSFSR Ministry of Agriculture and Food.

The leaders of the soviets of people's deputies and their executive organs which have allowed an unjustified failure to deliver products under orders bear responsibility in keeping with Article 5 of the RSFSR law "On Interrelations of Soviets of People's Deputies and Executive Organs During the Period of the Economic Reform."

Statutory violation proceedings are initiated by a decree of the procurator, both on his own initiative and on the initiative of the executive organs of the soviets of people's deputies of the republics included in the RSFSR, and the krais, oblasts, autonomous oblasts, and autonomous okrugs that receive products, and also by individual people's deputies.

3. To establish the material liability of the enterprises, associations, and organizations:

—for evading the conclusion of agreements for the delivery to the RSFSR agroindustrial complex of material and technical resources under the state order and through existing economic ties—in the amount of 100 percent of the value of these products;

—for failure to deliver products in keeping with agreements that have been concluded—a penalty in the amount of 100 percent of the value of the products that were not delivered. In the event that the delivery shortages are made up for in the subsequent period, the amount of the penalty is reduced by 50 percent on the condition that the supplier fulfills his delivery commitments for that period. The quantity of products not delivered in one period is added to the quantity of products to be delivered in the next period and is taken into account when penalties are imposed.



The fines and penalties imposed by material and technical supply organizations from suppliers (manufacturers of products) are transferred to the kolkhozes [collective farms], sovkhozes [state farms], and other enterprises of the RSFSR agroindustrial complex based on the quantity of material and technical resources that were not delivered.

4. To determine the material liability of the producers and procurement officials for agricultural products when there are shortages in the deliveries of raw material and food to the state resources;

—for evasion of the conclusion of agreements and failure to fulfill contractual commitments for deliveries of agricultural products and raw materials credited to the food tax, producers pay procurement workers a penalty in the amount of the value of the products that are not delivered based on procurement prices that are in effect;

—a fine in the same amount is imposed on the procurement agency for refusal to accept agricultural products prepared for release in keeping with the agreed-upon schedule;

—the supplier guilty of the violation pays the buyer a penalty in the amount of 100 percent of the value of the products that have not been delivered. In the event that the shortage is made up for in the subsequent period, the amount of the penalty is reduced by 50 percent on the condition that the supplier fulfills his

commitments for that period. The quantity of products not delivered during one period is added to the quantity of products subject to delivery in the subsequent period and is taken into account when imposing penalties.

A penalty in the same amount is exacted from the buyer for refusing to accept the products.

5. Leaders of enterprises and organizations that have evaded the conclusion of agreements and failed to fulfill commitments for the delivery of products bear responsibility in keeping with Article 5 of the RSFSR law "On Interrelations Between Soviets of People's Deputies and Executive Organs During the Period of the Economic Reform."

Administrative proceedings are initiated according to the procedure established by the aforementioned article of the law.

6. The RSFSR Procuracy, the RSFSR Ministry of Internal Affairs, and the RSFSR State Committee for Arbitration are to provide for monitoring the fulfillment of the present decree. The Presidium of the RSFSR Supreme Soviet and the RSFSR Council of Ministers are to report regularly on its execution.

*[Signed] R.I. Khasbulatov, first deputy chairman of the RSFSR Supreme Soviet*

*I.S. Silayev, chairman of the RSFSR Council of Ministers  
Moscow, RSFSR House of Soviets, 22 April 1991.*

## PERSONAL INCOME, SAVINGS

### TRUD Explains Compensation Process to Readers

914D0185A Moscow TRUD in Russian 30 Apr 91 p 3

[Unattributed article: "TRUD Consultation, 30 April 1991: How to Pay Compensation"]

[Text] **The Ukase of the USSR President on the Reform of Retail Prices and Social Protection of the Populace has been in effect for more than a month now. At the request of our readers, we explain procedures for the payment of financial compensation.**

Compensations are paid to:

- employees** who have labor contracts on the basis of hiring, including retirees and foreign citizens, in the amount of no less than 60 rubles [R] per month;
- nonworking retirees** in the amount of R65 per month, regardless of the type of retirement benefits received, and the same amount on top of the dependent allowance paid to nonworking retirees;
- students, graduate students, Ph.D. candidates, and hospital residents who receive scholarships** in the amount of R60; students of the preparatory departments of higher schools, R40; technical school students, R55; students of vocational technical schools with a duration of study of no less than 10 months, R40;
- full-time college students** who are paid scholarships by enterprises, R60 per month (compensation is paid at the place of study, and subsequently is refunded from profits retained by the enterprise);
- for children**, except those who are wards of the state, at the main places of employment of their mothers, and if the mothers of the children do not work, at the main places of employment of the fathers or individuals replacing parents.

It is necessary to discuss in more detail compensations and benefits paid for children, in keeping with Resolution No. 105 of the USSR Cabinet of Ministers, dated 19 March 1991.

**When a child is born**, a lump-sum benefit of R250 is paid from the social security fund **at the place of work or study** of the child's mother. If a woman does not work and does not study, the benefit is paid in the same amount to the father of the child at the place of his work or study. If the parents do not work or study the benefit is paid by the **local social welfare department**. If twins are born, the benefit is paid for each child.

Monthly benefits are also envisaged for:

**Mothers** who are on leave to take care of a child under one and a half years of age, and who have worked for one year (for women under 18, regardless of tenure), as well

as mothers studying full-time, receive benefits which now amount to R110. Those who have worked for less than a year, as well as nonworking women, receive R80. The payments are made by **enterprises from the pension funds**, and those to nonworking mothers are made by **social welfare organs**. If two or more children are born, the benefits are paid separately for every child.

Benefits of R80 are paid to children between one and a half and six years of age who previously received benefits in keeping with USSR Council of Ministers Resolutions No. 759, dated 2 August 1990, and No. 1177, dated 24 November 1990. They are paid by **enterprises from the pension funds**, and to women who do not work, by **social welfare organs**.

A child benefit amounting to R110, a single-mother benefit amounting to R80, and a compensation payment to the mother herself in the amount of R60 are paid simultaneously to a **single mother** during the period of partially paid leave for child care. The single-mother benefit of R80 and the R80 child benefit are paid simultaneously for a child between one and a half and six years of age. Benefits of R90 are paid for children between six and 16 years (for students who do not receive scholarships, between six and 18 years). Child benefits are paid to single mothers by **social welfare organs** from republic budgets.

The benefit amounts to R80 for children under six whose parents fail to pay child support, as well as in other cases envisaged by legislation in which it is impossible to collect child support; if the age of the child is between six and 18 years, the amount is R90. The benefits are paid by **the social welfare organs** from funds for the payment of temporary benefits for minor children.

Children who have guardians (custodians) are paid R110 by education organs from local budgets.

Social welfare organs pay R110 from the monies of the all-Union budget transferred to the pension fund for children with AIDS under 16.

In addition, monthly compensations are envisaged for children who do not receive pensions or benefits under the existing social welfare system. This benefit amounts to R40 for children under 16 (students who do not receive scholarships under 18), provided that total income per family member is not higher than four times the minimal wage. This payment is made by an enterprise **at the place of employment or study of the mother of the child**. If the mother does not work or study the payment is received by the father at his place of work or study **from the monies of republic budgets**. If both parents do not work or study such compensation is paid by a **social welfare organ**.

In areas and localities in which wage coefficients apply by virtue of residence in a difficult natural and climatic environment, the amounts of established monthly compensation payments for children and child benefits which have been increased in conjunction with the

introduction of compensation payments are determined taking into account coefficients used for the employees of nonproduction sectors.

In addition, the following compensations are paid annually in conjunction with higher prices for children's goods to families with minor children, given that total income per family member does not exceed four times the minimal wage:

- no less than R200 for children under six;
- no less than R240 for children between six and 13;
- no less than R280 for children between 13 and 18.

It is recommended to make compensation payments **once a quarter, in equal parts**. In the process, the quarterly amount of compensation is determined in proportion to corresponding months if a child goes from one age bracket to another. It is paid for children under 18 (regardless of whether they study, receive scholarships, or have earnings) from republic budgets **by enterprises**, or by **social welfare organs** if the parents do not work or study. For those who work in areas and localities in which wages are calculated with regional coefficients taken into account, the amount of compensation is increased on the basis of these coefficients.

In a number of republics, more favorable procedures for the payment of compensations have been established. For example, in the RSFSR [Russian Soviet Federated Socialist Republic] and Belorussia, compensations for children are paid regardless of total family income; in the RSFSR, the lump-sum childbirth benefit has been increased to R350.

Compensations are paid to all employees on enterprise payrolls, including those who are on regular leave, temporary disability leave, business trips, or are temporarily absent from work for other reasons provided that wages continue to be paid, as well as those on partially paid leave to take care of a child under one and a half years of age. The issue of paying wage compensation to women who are on leave to take care of children between the ages of three and six is resolved directly by enterprises at the expense of their own funds. Individuals who hold part-time jobs in several places are paid compensations only at the main places of employment. The amount of compensation to those who work part-time is reduced in proportion to the time worked.

Here is one more necessary explanation.

It is necessary to submit a **petition** in order to receive compensation payments for a child; it should indicate that pensions and benefits are not paid for the child under the system of social welfare in effect, that he is not a ward of the state, and that he does not receive a scholarship if he is a student. It is also necessary to **produce** a copy of the certificate of birth of the child, a certificate from the place of residence, and for students of a vocational technical school, technical school, or college, a certificate from the educational establishment

saying that no scholarship is being paid. When necessary, documents on family income in the previous year are needed. If parents do not either work or study these documents should be filed with a social welfare organ.

### **Politburo Member Discusses Standard of Living Decline for Children**

914D0189A Moscow *RABOCHAYA TRIBUNA*  
in Russian 1 May 91 pp 1,2

[Article by Galina Semenova, secretary of the CPSU Central Committee, member of the Politburo, and USSR people's deputy: "Children Do Not Know How To Strike..."]

[Text] *Galina Semenova, secretary of the CPSU Central Committee, member of the Politburo, and USSR people's deputy, shares her thoughts on social protection for children, motherhood, and the family at a time of a sharp decline in the standard of living caused by price increases.*

It is a confession that is hard to make, but it is unavoidable: we are guilty before our children. Over the years we have already squandered what belongs to them. We lied to them about the "privileged class." Now, as the social crisis deepens, more tragic things are beginning to happen: it is mothers and children who are suffering most. This is the worst part of it. Each third child in our country lives below the poverty line. This makes it imperative to be three, four, many times over more attentive and careful when economic measures or programs are adopted.

When we deliberate in an already accustomed manner about today's troubles and difficulties that are related to political and economic disintegration, do we see the face of a child, whose family is torn apart by interethnic conflict, or a fate of a toddler whose mother found herself out of work—which means, without means of support—as a result of unquestionably important and, as a whole, progressive economic reforms? If the state is not able today to take it upon itself to support the children, then it has to make sure that parents have preferential conditions that allow them to earn higher income. During the transition to a market there should be services that provide social help and protection, legal consultations, centers for vocational retraining, and entities that specialize in employment matters. Where are they? And who is responsible for them?

It is increasingly rare that I see on the streets women "in a family way." A sharp fall in the birth rate is occurring. USSR Minister of Health I. Denisov, speaking recently at the session of the CPSU Central Committee Permanent Commission on Women and the Family, gave this figure—540,000 fewer babies born annually. The reasons? These are clearly defined by the chief experts on the problems of life—women. Letters sent to our commission list these factors: political instability, financial problems, lack of confidence in tomorrow, and defenselessness!

Now there is this price reform. It was unavoidable. But why is it the children that turned out to be insufficiently protected? And why were women who take a leave to care for children between 18 months and three years of age left without compensation?

I am convinced that many things in the planks of the price policy will have to be corrected. Yes, most likely, once store shelves start overflowing with food and goods for children, prices will finally come down. But children grow faster than desired changes in the economy take place. Therefore, in my opinion, we should already be supporting the initiative of those republics and regions that increase compensation for families with children, and provide tax, preferential treatment, and credit incentives for enterprises that produce children's goods.

Some republics, after listening to parents' protests, have "corrected" the price of school uniforms almost by half; besides, it is no longer mandatory to wear one—the ministry of education finally relented on this. But I can imagine how mothers, already tortured by shortages, will rush from one oblast to another, where prices on uniforms are lower. Or, for instance, how a first-grader in a homey dress will sit at the desk in class, seeing next to her a lucky classmate wearing a brand new uniform apron.

Was there a single woman among those who discussed the measures related to the price reform and the system of compensation? Or maybe she simply was not heard?

Alas, so far there are no women at the decision-making level in the Cabinet of Ministers. I say "so far," because the debate on whether to create a Committee on Family and Women's Issues is still going on. At one of the sessions of the USSR Supreme Soviet a deputy named Semukha asked USSR Deputy Prime Minister Doguzhayev: "Why do we need it at all, this women's committee?"

We need it so that no decision that encroaches on the rights of mothers and children will be adopted by the Cabinet of Ministers!

But the question was asked. And it was asked not by some factory manager or apparatchik "with blinders," but... by the chairman of the Belorussian Red Cross Society. The defender of life, kindness, and benevolence.

The USSR president himself has already spoken at least three times in favor of creating a department on women and family affairs under the Cabinet of Ministers. Our complacent deputies, however, agreed that this department will be not a part of the Cabinet of Ministers structure but "under" it. This is a pity, of course. "Under" the cabinet means fewer rights. With a positive attitude, it is precisely such a committee or ministry (or maybe even a specially created national coordinating council under the president) that should issue an expert evaluation of all decisions, serve as a sort of quality control on the humanity of the measures under consideration, and ensure that they are not destroying the

family or harming the children. As a poet once said, all progress is reactionary if it destroys the individual.

Do we always realize, in the heat of political battles and economic discussions, that it is not only the financial well-being and outlook of a child that is at stake, but his life itself? The problem of baby food is no longer screaming at us; it is silently shedding baby tears. Last year, for instance, only every other baby was provided for in terms of availability of special infant food. At the same time, three major enterprises stood idle: one for two months, another for 57 days, and a third for 24 days. The reasons are well known: lack of hard currency, disintegration of economic ties, lack of coordination between the republics, and nonfulfillment of suppliers' obligations...

All these problems were heatedly discussed at the special session of the USSR Supreme Soviet Committee on Women and the Protection of the Family, Motherhood, and Childhood. It turns out that the defense industry stands ready to design the needed equipment, but this kind of work is at the bottom of the financing priorities list. The USSR Ministry of Finance finds it inexpedient to expand the list of preferential treatments in regard to tax on profit, that is, to include enterprises making baby food in this list. How can this be? I read resolutions that create all kinds of associations, consortiums, and funds, and almost all of them receive preferences in the tax treatment of profits. While at the same time enterprises that provide life sustenance for children are refused?

We say from the highest podiums that protecting our children's health is our highest priority. But in reality? Even our sensitive lawmakers did not notice that, as they discussed 1991 budget, this "priority" was placed 11th on the list.

No hard currency is allocated for purchases of necessary baby food additives that are not manufactured in our country. Moreover, this year not a single kopek has been paid so far on already signed contracts. We do not have hard currency. Nevertheless, with all the shortages, this currency was somehow found when we needed to calm down rioting smokers. We also know that both the Ministry for Foreign Economic Trade and the Bank for Foreign Economic Relations continue to conduct the necessary operations, sign contracts, and issue credits. So, what about the priorities?

During the past three months, 40 pharmaceutical factories were closed. There are already cases of polio. And this in the country where the polio vaccine was discovered and first manufactured.

What kind of alarms do we need to sound to get it across to every politician that the life of a child is more important than any principles and all sovereignties! What words can we use to explain that denigration of motherhood is impermissible!

The problem of the effect of economic and political reforms on women in Eastern Europe was discussed at

the Vienna Center of the United Nations. Here are the conclusions reached at that seminar during an analysis of the situation of women in some of these countries: female unemployment; the loss of traditional social guarantees and even fundamental human rights; the return of old stereotypes of the woman's role as homemaker; the decline in the standard of living; and the absence of salary increases in an environment of rising prices. Are we facing this, too?

Yes, we are. Unless we come to our senses in time and put a strict taboo on everything that leads to the worsening of life for women and children.

A month ago the CPSU Central Committee Secretariat adopted a resolution "On the Main Directions of the Party's Policy in Working With Women and the Women's Movement." Appropriate recommendations were prepared that closely tie together two interdependent goals: the elevation of women's political status in society and their social protection during the transition to a market. The achievement of these goals would have affirmed the real, instead of declared, priority of human values in party work.

There are many discussions and arguments today in the party organizations in regard to the recent joint plenum of the CPSU Central Committee and Central Control Commission. Its results can be interpreted in a variety of ways, and it took a substantial effort to reach agreement on the subject under discussion. Nevertheless, when it came to the main point, the plenum participants passed muster: the plenum did express the interests of the people. The anticrisis measures proposed by the Cabinet of Ministers were discussed from the point of view of protection of human rights and protection of human life.

The resolution also includes phrases on ensuring the social protection of families with children, on the necessity of additional compensatory benefits in response to the increased cost of baby food and children's goods, and on the indexation of people's incomes. These words should be followed by deeds. And not only at the level of adopting government decisions but in each collective.

People are confused and denigrated today. We have never had anything like we have now. People do not know whom to believe in the dissonance of state, republic, and local laws and decrees; where to escape from the incomprehensible chaos in the distribution of benefits, compensations, and voucher-coupons; and where to complain about the incompetent and irresponsible functionaries who implement the above.

The theme of the responsibility of top-level power organs and the party leadership was the one that sounded most often at this plenum, too. It is fair. But it is not the whole truth. Unfortunately, less popular was the theme of the responsibility of each party organization, each individual communist. The latter is, however, more topical than ever.

Of course, a party organization cannot give a family more bread, butter, or milk; it can, however, help to relieve people from being demeaningly uninformed, from procrastination, and from endless small deceptions that surround distribution. It can, and it must.

The confusion and irresponsibility that are so obviously and so sadly typical of the processes taking place in the social sphere can be overcome by competent actions and specific undertakings.

The people must have an opportunity to ask for an advice; they must be certain that they will get a meaningful answer in a party or trade union committee in regard to a new law or benefit or employment service; and they must have hope that their party's newspaper will always defend them, that their party's deputy will bring up an issue that is important to them and defend their interests.

For myself, I hope that responses to my reflections will be published under the rubric "Measures Have Been Taken."

#### **Belorussian Salary Index Affected by Price Hikes**

914D0190B Minsk SOVETSKAYA BELORUSSIYA  
in Russian 20 Mar 91 p 3

[Unattributed article: "Procedures for Indexing the Income of the Population in Conjunction With the Growth of Prices for Consumer Goods and Services"]

[Excerpt] In execution of the Belorussian SSR [Soviet Socialist Republic] Council of Ministers resolution on "Measures To Enact the Belorussian SSR Law 'On Indexing the Income of the Population Taking Inflation Into Account,'" dated 26 February 1991, the Belorussian SSR State Committee for Labor and Social Protection of the Populace and the Belorussian SSR Ministry of Finance adopted a special instruction on 11 March 1991, which sets forth procedures for indexing the income of the populace.

Along with general provisions, the instruction sets forth the volume of indexing, conditions for effecting it, and sources from which corresponding payments are made. Procedures are outlined for implementing and indexing the income of the population, taxing them, performing computations, and adjudicating disputes concerning the issues of indexing.

It is envisaged that the population receiving income in the territory of the Belorussian SSR has a right to have them indexed in conjunction with the growth of prices for consumer goods and services. The following types of cash income are subject to indexing: wages based on piecework rates, pay grades, and position salaries; retirement benefits and allowances which include incremental and additional payments; payments for regular and additional leave, and scholarships.

At the same time, it is envisaged that the income of citizens from property rentals, shares and other securities, with the exception of the bonds of Belorussian SSR state loans, operation of peasant farms (farmsteads) and personal auxiliary plots, individual labor activities, as well as other economic activities which are a source of cash income derived from property, is not subject to indexation. Likewise, indexation will not apply to all types of bonuses and compensations, one-time incentive payments, financial aid, one-time payments, and some other types of income.

In keeping with the Belorussian SSR law "On Indexing the Income of the Population Taking Inflation Into Account," the right of citizens to income indexing is exercised only if the consumer price index exceeds five percent.

Indexed income will be paid to the citizens on a monthly basis, simultaneously with the payment of wages, retirement benefits, allowances, and scholarships. In the process, the magnitude of the consumer price index used for indexation remains unchanged for the entire period until the next round of indexation. As a result, the indexed income of citizens will also remain unchanged, and will be paid until a new round of indexation occurs.

As provided by the indexation procedures, after the consumer price index exceeding five percent is published, a segment of income amounting to the size of the subsistence minimum is multiplied by the amount of the increase in the price index calculated cumulatively since the beginning of the year. Indexation increments of the first income segment are calculated in this manner.

Another income segment, also equal to the subsistence minimum, is multiplied by the magnitude of the growth of the price increase, each percentage point of whose growth is adjusted to 0.8. Indexation increments of the second income segment are calculated in this manner.

The remaining segment of income in the amount of up to four times the subsistence minimum is multiplied by the magnitude of the increase in the price index, each percentage point of whose growth is adjusted to 0.5.

Income in excess of four times the subsistence minimum is not indexed.

Indexed (total) income will equal the sum of base income and the amounts generated by indexing the above segments of income.

A supplemental table for indexing the income of the populace in conjunction with the growth of retail prices has been developed with a view to assisting the accountants of enterprises, establishments, and organizations, simplifying computations, and reducing the volume of work associated with indexation. The table contains amounts of additional indexed income based on a one-percent increase in the consumer price index. All residents of the republic will be able to determine their indexed income themselves by using the table.

Specific peculiarities of indexing for certain categories of the population are treated separately in a special chapter of the instruction. The following are included in these categories: moonlighters, employees drawing income based on hourly wages outside the main place of employment, working college students, and students. Arrangements are envisaged for indexing the income of retirees, including those working.

By way of an example, we may review procedures for the indexation and payment of cash amounts to moonlighters.

An individual who moonlights is issued, at his request, a certificate from the main place of employment which indicates the amounts of:

—income subject to indexation,

—indexed income.

Additional income due to moonlighting is indexed on the basis of this certificate. In the process, total income at the main place of employment and a second job subject to indexation should not exceed four times the amount of the subsistence minimum.

With a view to reducing the volume of work associated with the issuance of certificates from the main places of employment, income derived from moonlighting may be indexed once a quarter or twice a year, with the consent of citizens.

Income derived on the basis of hourly wages outside the main places of employment is indexed through similar procedures.

Procedures for the conduct of indexation with regard to persons residing in areas and localities in which wages, retirement benefits, and allowances are adjusted by means of coefficients are discussed separately. In the process, the amount of cash allowances paid per every family member to the residents of localities where the production of safe output is impossible is indexed through established procedures separately, regardless of other income (wages, retirement benefits, allowances, and so on). It is also envisaged that state allowances are indexed separately, regardless of all other income received.

If income paid at one enterprise, organization, or establishment is derived from several sources and the priority of their indexation is established, the amount of additional income based on indexing is paid on the basis of all sources, in proportion to their share in the total income. For example:

An employee is paid 530 rubles [R] in wages and temporary disability benefits, including R371 in wages (70 percent) and R159 as a temporary disability benefit (30 percent). If the consumer price index stands at 106.6 percent, the indexed amount of income will come to R553.10. Additional income due to indexation, R23.10

(R553.10 minus R530), will be attributed to wages—R16.17 (70 percent) and to social security settlements—R6.93.

In keeping with the Belorussian SSR law "On Indexing the Income of the Population Taking Inflation Into Account," the instruction specifies that additional income received by the populace due to indexation is added to other income and taxed through established procedures. In the process, the brackets of a progressive scale are indexed, too. This may be shown by using the following example. If the consumer price index is 106.6 percent, the tax-exempt minimum will be computed to be R107 (R100 times 106.6 percent). Tables for calculating taxes on the income indexed will be published on a regular basis.

The instruction outlines sources for funding indexation payments.

Losses caused by the growth of prices and tariff increases will be made up to:

- the employees of organizations and establishments financed from the republic and local budgets—at the places of work (service) from the funds of the respective budgets;
- the employees of the structural units of budget-financed establishments maintained by outside off-budget proceeds—from these proceeds;
- retirees and individuals receiving the state allowances established—at the places such allowances are received, from the funds from which the retirement benefits and allowances are paid;
- college students and students of higher schools, special secondary schools and vocational technical schools, graduate students, hospital residents, and Ph.D. candidates receiving scholarships from the budget—at the places of study from the funds of the respective budgets; college students, students, and graduate students receiving scholarships from enterprises, organizations, and establishments—from the funds of these enterprises, organizations, and establishments;
- the employees of state, public, cooperative, joint stock, mixed and other enterprises (organizations, establishments), other than those financed from the budget, regardless of ownership arrangements and conditions for operations—at the places of employment. The above enterprises, establishments, and organizations make indexation payments to their employees from monies allocated for remunerations for labor (consumption funds) on grounds specified in collective contracts (agreements);
- public organizations make compensatory payments from their own funds;

Procedures are also set forth for effecting work associated with the computation of indexed cash income in enterprises, establishments, and organizations. Outlays

entailed by the payment of additional income are attributed to the items of outlays which include basic payments (wages, retirement benefits, allowances, and scholarships).

Managers and chief accountants of the enterprises, establishments, and organizations are responsible for making payments in a correct and timely manner.

Financial organs are entrusted with monitoring the correctness of the computation and payment of additional indexed income.

[Passage omitted on supplementary indexation table with example of computing size of indexed income]

### **Kazakhstan Raises Health, Education Workers' Salaries**

914D0190A Alma-Ata KAZAKHSTANSKAYA PRAVDA  
in Russian 30 Mar 91 p 1

[KAZTAG report: "In the Kazakh SSR Cabinet of Ministers: Wages Have Been Increased"]

[Text] Pursuant to the Kazakh SSR [Soviet Socialist Republic] law on the "1991 Republic Budget of the Kazakh SSR" and Resolution No. 105 of the USSR Cabinet of Ministers "On the Reform of Retail Prices and Social Protection of the Populace" dated 19 March 1991, the government of the republic adopted a resolution on increasing the wages of the employees of education, health care, social security, culture, and archival establishments.

In keeping with the resolution, the wages and salaries of leading professions in the establishments and organizations of education, health care, social security, culture, and archival establishments will be increased by an average of 40 percent, without taking into account compensations for additional expenditures associated with the revision of retail prices.

Such wages will be introduced effective 1 April 1991, in keeping with Instruction No. 70 of the USSR State Committee for Labor and Social Problems "On Confirming New Rates of Wages and Position Salaries of the Employees of Education, Health Care, Social Security, Culture, and Archival Establishments," dated 20 March 1991.

The wages and salaries of the other employees of the above establishments and organizations previously established for them by the management may be increased by no less than 60 rubles [R] a month, with the consent of trade union committees, up to the limit of the funds available, as well as of the funds allocated to compensate for additional expenditures entailed by the revision of retail prices.

The Ministry of Finance of the republic was instructed to designate sources of financing for expenditures entailed by the introduction of new labor remuneration terms for the employees of these establishments and organizations.

The government obligated the Ministries of Education and of Health, the Kazakh SSR State Committee for Culture, the Kazakh SSR Main Administration of Archives, and other ministries and departments, to communicate to these establishments and organizations within two weeks skill level requirements for positions affected by the above resolution of the USSR State Committee for Labor and Social Problems, and recommendations for administering employee evaluations in the establishments and organizations of education, health care, social security, culture, and archival establishments, and to ensure the monitoring of the conduct of the evaluations and pay grade revisions in units reporting to them.

The establishments and organizations indicated were asked to administer the extraordinary evaluations of employees and pay grade revisions in keeping with new skill requirements, in an environment of extensive openness with a view to substantially increasing their responsibility for the efficiency and quality of work, as well as to ensure the assignment of specialist cadres taking into account their professional experience, skills, and the complexity of the work performed. The wages and salaries confirmed by the resolution of the USSR State Committee for Labor and Social Problems will be established on the basis of the results of such evaluations and pay grade revisions.

Until new wages and salaries are introduced, preventive compensations should be paid on account of the revision of retail prices in the form of special extra payments amounting to R60 per month, entered in a separate pay roster, on top of the wages and salaries in effect.

It was recommended that the Ministry of Labor, in cooperation with the Ministries of Education and Health and Social Welfare, the Kazakh SSR State Committee for Culture, and the Kazakh SSR Main Administration of Archives engage in an extensive explanatory effort with regard to the procedures and conditions for the implementation of the present government resolution.

### **New Uzbek Pension Plan Detailed**

914D0193A Tashkent PRAVDA VOSTOKA in Russian  
10 Apr 91 p 3

[Interview with S.A. Khodzhayeva, Uzbek minister of social security, by unidentified PRAVDA VOSTOKA correspondent: "The New Pensions: When, For Whom, How Much?"]

[Text] The editor is receiving many letters asking for explanations of particular provisions in the new pension legislation. We asked Uzbek Minister of Social Security S.A. Khodzhayeva to answer readers' questions.

[PRAVDA VOSTOKA] Sanobar Akhralovna, let us start with a general question: For whom and when will pensions be recalculated in accordance with the laws "On Pensions for Citizens of the USSR" and "On Pensions for Servicemen" passed last year?

[Khodzhayeva] As is known, these acts are being brought into force gradually, from 1 October 1990, 1 January 1991, 1 January 1992, and 1 July 1993. During the first stage—from 1 October last year—these laws have been brought into force with respect to the war disabled and their equivalents among those who participated in the war and persons who participated in combat actions while carrying out their international duty. Some 132,000 people in the republic are already receiving pensions under the new law.

[PRAVDA VOSTOKA] Some of the Group I war disabled are receiving pensions of 175 rubles [R] a month, and Group II disabled are receiving R122.5. At the same time, many Group I and Group II disabled are receiving pensions of R300 or more. Surely something here is not quite right?

[Khodzhayeva] The fact is that everything depends on the kind of pension being received. Pensions of R175 and R122.5 are the minimum for Group I and Group II disabled, and are established for war disabled persons who did not participate in social production and have no work seniority.

If, however, a war disabled person does have the necessary work seniority then he has the right to receive a pension based on age. In this case the size of the pension awarded to him is increased, as a war disabled Group I or Group II, by R105, or by R52.5 if a person is listed as Group III.

The new law makes provision for the payment of certain additional amounts over and above the pension. An additional payment of R70 to pay for care costs has been awarded to all Group I war disabled and some Group II war disabled. In addition, an additional family payment of R35 has been established for nonworking Group I and Group II disabled who have nonworking dependent family members. This is also given when they start receiving their old-age pensions.

[PRAVDA VOSTOKA] You were talking about the first stage of the pension reform. But the second stage has already started...

[Khodzhayeva] From 1 January 1991 pensions have been recalculated and set for Soviet Army disabled persons in accordance with the standards of the new laws; minimum pensions for Group III disabled have been increased in the event of loss of the breadwinner, for mothers of those disabled from birth, for whom the pension age is set at age 50 and at least 15 years work seniority, for those who have taken part in the cleanup following the accident at the Chernobyl nuclear power station, and for orphans, and also social pensions for nonworking citizens.

All other pension categories have been increased R5 to R40 depending how long the pension has already been provided, as follows: less than five years, R5; less than 10 years, R10; less than 15 years, R15; less than 20 years, R20; less than 25 years, R30; 25 years or longer, R40.



[PRAVDA VOSTOKA] Our mail contains proposals that those who have received awards for labor and for service in the war in the rear should be placed on an equal footing with those who took part in combat actions with respect to privileges.

[Khodzhayeva] Of course, these people do deserve a great deal. Privileges have been established for them. For example, time spent working in the rear during the war counts double toward their overall seniority. In addition, a 50 percent rebate is offered toward the cost of medicines acquired from a doctor's prescription, and a 30 percent discount on payments for municipal services (water, gas, electricity, and heat). They also enjoy a number of other advantages.

[PRAVDA VOSTOKA] Sanobar Akhralovna, could you provide a little more detail on social pensions? Where should people apply for them, and what documents should be presented?

[Khodzhayeva] Yes, for the first time our legislation makes provision for the establishment of pensions for citizens who have never worked who have attained the age of 65 (for men) and 60 (for women), and also for disabled persons when they have no rights to any other kind of pension. This pension is set regardless of whether or not there are able-bodied children or spouses and regardless of their incomes.

In order to receive a social pension it is necessary to apply to the social security office at the place of residence and present the passport and a certificate from the place of residence showing that the person applying for this kind of pension does not work.

However, in some places in rural rayons citizens do not have passports. For the time being they can present a document that confirms the age of the individual, and a certificate from the village soviet.

[PRAVDA VOSTOKA] How will the pension be paid to working pensioners?

[Khodzhayeva] In the event of loss of the breadwinner, the full amount will always be paid regardless of the wages a pensioner may earn. From last year, the full pension has been paid to all disabled persons regardless of wages.

From this year, old-age pensions will be paid to all working pensioners. The full amount, without any kind of additional conditions and regardless of earnings, will be paid to all workers and foremen, and also to members

of kolkhozes and cooperatives employed in similar work. Full pensions will be paid to school teachers and pedagogical workers in preschool, extraschool, and other facilities for children, and to medical personnel in public health and social security facilities, and nurses working in the Red Crescent Society of the Uzbek SSR if they work in rural localities.

Other working pensioners have a right to full pensions regardless of total earnings if they have entered into a fixed-period work contract.

As far as the war disabled and war participants are concerned, full pensions have been paid to them since last year.

[PRAVDA VOSTOKA] Will additions to pensions for uninterrupted work seniority be retained?

[Khodzhayeva] The new law does not make provision for additions to pensions for uninterrupted work seniority. Seniority is calculated as total seniority regardless of gaps, at 25 years for men and 20 years for women, but for each year above 25 and 20 years one percent will be added to the pension.

For example, for a woman who has work seniority of 20 years, under the new law her pension will be 55 percent of wages. Another woman who has work seniority of 35 years will receive 70 percent of wages. A pension may not exceed 75 percent of wages, but in order to reach that ceiling a man must have seniority of 45 years, and a woman 40 years.

[PRAVDA VOSTOKA] Will those who are retiring be handled under the new law or the old?

[Khodzhayeva] The law passed in 1956 will be in force until the end of 1991, and under that law the pension is calculated from the final 12 months of work or from any five years of the previous 10 years when pension application is made. From 1 January next year pensions under the new law will be calculated only for any five years of the previous 15 work years.

All work seniority will be taken into account, giving due consideration to providing care for Group I disabled persons. Therefore, pensioners should now submit additional documents on their work seniority if it is more than 25 or 20 years. In addition, it is possible to submit wages for the final 15 years of work. From 1 January 1992 pensions up to R160 will be paid, and the full amount will be paid from 1 July 1993.

[PRAVDA VOSTOKA] On behalf of PRAVDA VOSTOKA readers we thank you for your detailed answers.

## ENERGY COMPLEX ORGANIZATION

### International Nuclear Power Conference Opens

*LD2204154891 Moscow TASS in English 1226 GMT  
22 Apr 91*

[By TASS correspondent Yuriy Vitrishchak]

[Text] Khabarovsk April 22 TASS—An international conference on nuclear power engineering opened here on Monday.

Scientists and specialists from the Soviet Union, France, Japan, China and South Korea will discuss problems in the fuel and power industry, including the place and role of atomic energy in world power engineering, the construction of nuclear power plants and work with local people.

"This issue is especially vital for the Soviet Union. Shortages of thermal and electrical energy in many Soviet cities hamper the construction of new industrial, cultural and social facilities," Nikolay Tsvetkov, president of the scientific and production society Energia in the Soviet Far East, told TASS.

"A sharp decline in oil and coal production coupled with public protests against building new nuclear power plants add to the problems," he said.

"The situation in the Far East is also tense and large-scale use of its water, coal and oil resources could cause unforeseen ecological consequences. That's why experience in developing nuclear power in France and Japan is so valuable for us. Nuclear energy accounts for 80 per cent of the total energy output in France," Tsvetkov said.

The conference will help scientists study foreign experience, focusing on public relations methods with people and safety measures for building and using nuclear power plants.

Participants will also discuss prospects for training Soviet specialists in other countries.

### Uzbek Energy Supply Potential Addressed

#### Current Supply Problems

*914E0080A Tashkent ZHIZN I EKONOMIKA  
in Russian No 1, Jan 91 pp 2-6*

[Article by Valeriy Saakov, director of the NIIE i N s VTs [Scientific Research Institute of Power Engineering and the Petroleum Industry and the Computer Center] of the Uzbek SSR Gosplan: "Aiming at Self-Sufficiency"]

[Text] Today the country's fuel and power engineering complex is entering a stage in its development that is qualitatively new. Against the background of the union republics' movement toward economic sovereignty, market relationships, and a reevaluation of the economic

ties which have developed, the need has also arisen to search for approaches to development of the Uzbek SSR's fuel and power engineering complex for the long-term future.

Of course, it is difficult to say now exactly how the national economy of the country and the republics will be developed over the long term, what kind of a union there will be, and how economic relationships will take shape. In any event, however, it is already necessary for us to look for a way now to provide the republic with a reliable supply of energy.

Under the conditions of the new economic policy, the fundamental solution for the region's overall power engineering industry ought to be the formation and establishment of a territorial system for supplying the region with power which provides for comprehensive solution of the following problems. First of all, this means orientation to the maximum extent toward development of our own base of fuel and power resources, which in turn will require structural perestroika of the republic's national economy, taking into account the factor of energy consumption, and efficient formation of the prospective structure and development of the TEK [fuel and power engineering complex] itself, making maximum use of the achievements of scientific and technical progress.

The NIIE i N s VTs of the UzSSR Gosplan, together with the organizations concerned (planning institutes, the "Sredazkabel" and "Sredazgazprom" production associations, the UzSSR Ministry of Power and Electrification, and others), has conducted research based on these principles to substantiate the ways to form an energy base for the republic's economy in the 1991-1995 period and up to the year 2010. Methods and approaches were worked out to put together the production balances and consumption by all types of energy sources, the basic directions for developing sectors of the fuel and power engineering complex and reinforcing the resources base were defined, a combination of measures to provide sectors of the national economy with power resources was mapped out, and suggestions were made to improve the structure for extracting and consuming coal and gas.

In addition, methods were worked out to evaluate and calculate the basic factors in resource conservation and ways of implementing a resource conservation policy were specified on this basis. Let us point out that all of this was considered in relation to the solution of social problems and normalization of the ecological situation.

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Coordination of the extraction of primary energy sources with the fuel resources base and directions for development of the economy up to 1995 has shown that in order to balance the national economy's requirements for TER [fuel and power resources], the extraction of gas will have to be increased by 20 percent, oil by two times as much,

and coal by 27 percent. At the same time, the volume of gas reprocessed and stripped of hydrogen sulfide will increase by 40 percent.

Balance calculations for the more distant future showed that for the production increase and solution of social programs contemplated, the demand for fuel, electricity and thermal energy will increase substantially and because of this, the strain on the fuel and power balance will become acute. One of the alternatives to reduce it—making up for the shortage of fossil fuel with atomic power—is problematical, inasmuch as operating sites for atomic power stations which are earthquake-proof have not been explored in the republic yet. The negative balance of energy sources imported and exported amounts to about 400 million rubles [R] today (up to 41 percent of the overall requirement for gasoline and diesel fuel and 68 percent of the requirement for petroleum and gas condensate are being imported into the republic).

It should be noted as well that the limited nature of the expanded gas and oil base hampers an increase in production of the fuel and power engineering complex at an accelerated rate: with the existing pattern of energy resource consumption, the republic's national economy will require on the order of 1.8 billion cubic meters of gas to be brought in in 1995; by the year 2000, 15.8 billion cubic meters will be needed, and in another decade, 21.7 billion cubic meters will be required.

In the event that the importation of gas is cut off completely and consumers (basically power engineers) are reoriented to coal (which is not without grounds), it will be necessary to deliver 3.8 million tons of it from the outside in 1995, 15.7 million tons in the year 2000, and 46.1 million tons in the year 2010. Apart from the considerable time spent for such reorientation, this will lead to additional capital investments.

For this reason, along with the inclusion of fossil fuel and nontraditional sources of energy, importance should be given to the efficient use of energy resources and the introduction of energy conservation technologies. We have a real opportunity to more than double the efficiency of the NTP [scientific and technical program] measures and to bring about an overall economic gain of more than a half billion rubles. And this means that we will be able to extract an additional 270,000 tons of oil, 2.2 billion cubic meters of gas, 270,000 tons of gas condensate, and 350,000 tons of coal for 1995.

Meanwhile, by possessing greater potentialities, this direction is not producing sufficient gain in the republic's national economy at present. Moreover, the fuel and power engineering resources are running low and are being used inefficiently as in the past.

The losses of coal add up to 12.5 percent in Uzbekistan's coal industry, for example. Apart from this, over 90 percent of the porcelain clays and practically all of the limestone extracted with the barren rocks are lost irretrievably in stripping operations at the Angren open pit. But after all, the processing and objective use of these

"waste materials" will make it possible to sharply reduce the ratio of loss [koeffitsient pogasheniya] in stripping and the power inputs and production cost to extract the coal. A great deal has been said about this for a long period of time, but this is not a matter of more discussions.

In the oil and gas industry, the purification of oil and gas strata is relatively low and there are high losses of energy sources, especially gas, in the process of extraction, refinement and transportation. In the oil refining industry, the degree of refining is low and barely adds up to 52.3 percent.

In the extraction industry, because of the complex mining and geological conditions (the shift of mining operations to a greater depth, the drop in the content of useful components, and so forth), the energy costs for extraction, transportation within the mining area, and enrichment of the initial raw material are being substantially increased.

In power engineering, the proportion of TETs [heat and power stations] in the total number of generating capacities is low; the TETs produce electricity with less fuel inputs than other types of stations. Indeed, at many power stations and boiler houses, the situation is aggravated because the specific norms for the generation of electricity and thermal energy are higher here than their rated magnitudes. All this intensifies the ecological problem in residential areas, which is bad enough as it is, when they fall under the intensive production activity of facilities in the fuel and power engineering complex.

There are substantial reserves for resource conservation in agriculture, where there has been a significant increase in the proportion of raw materials, fuel, and electricity in the physical inputs in recent years, as well as in the entire national economic complex, by the way: over the past eight years the power engineering capacities here have increased by 2.4 times as much, the power-worker ratio has risen by 1.8 times as much, and the electric power-worker ratio has increased by four times as much. However, the increase in the inputs of fuels and lubricants is related not so much with a quantitative increase in the farm machine and tractor fleet as with its qualitative features (or rather, its poor quality).

It is enough to say that the disparity between the structure of the farm machine and tractor fleet and the optimum norms is leading to extensive losses in diesel fuel, which reach 15 to 20 percent in some years. In addition, the high consumption is related to the use of tractors as means of transportation, as well as their low performance. That is, enough to bring the structure of the farm machine and tractor fleet into conformity with the norms and increase the equipment's level of use so that we will be able to economize over 10,000 tons of fuel in a season in the foreseeable future. Practically without capital investments!

In the republic's food industry, because of the losses from defective technologies and measuring equipment, outdated norms for the consumption of fuel and power resources,

and worn-out equipment and its abnormal operating routines, the total losses of fuel and power resources are on the order of 10 to 12 percent of their total consumption in the sector. The replacement of obsolete equipment with more advanced equipment, an increase in the efficiency of installation capacities, and the selection of efficient parameters for fuel and power resources will provide for an annual saving of fuel within the range of 301,000 to 362,000 tons of arbitrary units in the sector.

In the cotton cleaning industry, 65 to 68 percent of the cotton mills' capacity is being utilized. If they were equipped efficiently, the use of electricity would be reduced by more than 160 million kilowatt-hours, and there would be a reduction of 24,500 tons of standard fuel.

In hydraulic engineering, substantial reserves are related mainly to the use of more improved structural elements in the pumping and power generation equipment; its replacement with more efficient equipment will save on the order of 20 percent of the electric power, or 1.4 to 1.5 billion kilowatt-hours.

It is unlikely that it is worthwhile to list the opportunities for savings in such detail any further, since similar reserves exist in all sectors of the national economy.

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But what is to be done next? If we do not increase power engineering capacities to the extent they will be needed (the funds and the time are needed for this), then perhaps it is worthwhile to look for a solution in a different area? For example, by more extensive use of nontraditional sources of power and resources for energy conservation. (Our journal has written more than once about alternative sources of electric power. Just recently we published the article "Looking to the Sun and the Wind" by D. Akbarov (No. 7, 1989) and "False Triumph" and "Whose Winds Are Blowing the Sails" by V. Zotkin (Nos. 3 and 9, 1989).) Incidentally, none of the likely so-called alternative energy sources—solar, wind, or geothermal—are being widely used in the republic's national economy. Only solar power is being utilized on a small scale for supplying hot water and heat with solar heat collectors and for heliothermal processing of concrete and reinforced concrete items.

And at the same time, speaking about the use of nontraditional sources, we should mention the vast reserves concealed here. It is being said literally by specialists that a network of small GES [hydroelectric power stations] can be developed by utilizing the regulated runoff of numerous small rivers and large canals, where more than 15 small GES's can be sited. The opportunities for solar and wind power engineering and the installation of wind power generators are considerable in the republic (incidentally, in the state of California alone, the requirements of 1 million persons are being met in full by wind power generation). Scientific and technical studies must be stepped up to process solid household wastes and animal wastes into biogas (320 electric power stations

are making use of it in the United States). Heliothermal resources should be utilized to supply heat for the public.

At first glance, these suggestions appear to be fanciful or at best, a prospect that is too remote. But they are not. According to preliminary estimates, up to 50 percent of the demand for heating in our republic can be met just by utilizing nontraditional heat and power resources. And cases exist in the world where such things have been realized: in Israel, for example, 800,000 houses have been equipped with solar heating units, and in Japan, more than five million people are using water heated by the sun for household needs. This is possible in Uzbekistan as well, and this has been demonstrated by the conclusions of the republic's power engineering program; they consider it expedient to include solar heating research among the top-priority directions for the scientific and technical program, and to establish a scientific production association on the basis of the MNTTs [Interdepartmental Scientific and Technical Center] "Geliotekhnika" to develop a new sector of the republic's national economy.

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The decisive driving force in the policy of energy conservation is perestroika of the national economy structure—the transition from energy-intensive to less energy-intensive sectors is most favorable here. Experience in the most developed countries (the United States, Japan, France) shows that the annual national income is increased by two to four percent there because of this policy without consuming additional energy—more than half of the possible reduction in energy consumption for the national income is provided through fundamental perestroika of the economy's structure.

Meanwhile, there is a steady trend of increased energy consumption for production in our republic. While 3,061,000 tons of standard fuel were consumed for production valued at R1 million in national income in 1980, 3,464,000 tons were consumed in 1989 (incidentally, the energy consumption for the country's national income during the same period was reduced by 10 percent, while energy consumption in the United States was reduced by 48 percent, in Great Britain by 50 percent, and in Japan by 56 percent).

Consequently, along with the establishment of effective, long-term relationships between the republic and other regions, there is a critical need to analyze the range of products being turned out, and especially in the category which is exported as barter with other regions in the country. It is necessary to proceed from a premise based on principle: if a product requires high energy consumption but energy resources in the republic are in short supply, then it is not likely to be expedient to increase its production, driving our own economy into an energy crisis. This position is justified primarily for such energy-consuming products as nitrogen fertilizers (45 percent of the volume is exported for a total of over R80

million), caprolactam and chemical fibers (volume exported is 97 and 37 percent, respectively, for a total of over R100 million), and products from petroleum refining (one-fifth of the volume are exported for a total of R140 million).

It is obvious that instead of increasing their production it is better to turn out products which we do not have enough of and to reorient the existing structure of industry to meet the republic's own needs. The need for this is confirmed by a study of the world market, which has made it possible to identify the dynamics and features of the pricing for oil, petroleum products, and coal, as well as to determine our alternative trading partners (Iran, the United Arab Emirates, the PRC, and others) for purchases of energy resources.

Analysis of the world market prices for energy sources as of last September shows that they are considerably higher than prices within the country, even taking into account the latter's substantial increase set in 1991 (R59 and \$107 per ton for oil and gas condensate, R107 and \$168.80 for gasoline, R100 and \$155 for diesel fuel, and R23 and \$46 for coal). In this connection, taking market relationships into account, a careful analysis of the directions for restructuring the pattern of energy consumption will be required—in order to replace the proportion of gas with coal in the republic's fuel balance.

But if we look further, development of an effective pattern for restructuring the entire national economy is coupled directly with further reinforcement of resource conservation and a change in the production structure of a number of energy-intensive enterprises. That is, every possible economy in all forms of physical and fuel and power resources is related to the number of basic factors which provide for the economy's shift to intensive development.

Reinforcement of materials and energy conservation today, as well as in the more distant future, requires the development and application of qualitatively new approaches based primarily on the fact that this process will be taking place under conditions in which there are less and less visible resources. In this connection, we will need to look for hidden factors in resource conservation and improve the technological structure of production, with emphasis on reducing materials and energy intensiveness (planning for the high rates of production planned for the future at the same time, naturally).

The transition to market relationships and the expansion of producers' initiative and independence will establish the real conditions for increasing efficiency in economizing resources and increasing profit, of course. However, the practice of economy under the conditions of the republic's economic sovereignty assumes a more important status—the status of state policy, when the problem of resource conservation within the framework of the overall national economy should be resolved in an integrated manner, at all levels of production management.

But speaking of the reserves lying on the surface, we should turn our attention to the need to automate the monitoring of energy consumption; to equip industrial enterprises with information-measuring systems, instruments for calculating and selecting the best routines for lighting, heating, air conditioning, equipment adjustment, and so forth; and to improve incentives to economize fuel and power resources, extending economic sanctions for overconsumption of fuel and power at the same time. And if we look further, we need measures for state regulation of resource consumption, including legislation regulating the efficient use of energy resources, in order to activate the reserves mentioned, as well as to extend the introduction of energy conservation technologies in the republic's national economy.

In order to increase efficiency in the use of fuel and power resources, it is expedient:

- to make the tax rate on profit dependent on efficiency of fuel and power use (for example, to reduce the tax rate to zero for boiler houses with the standard consumption of fuel for production of a unit of heat energy within the framework of world standards, but to raise it to the maximum when it is increased to the average "ceiling" for the country; the tax scale would range between these extreme values). At the same time, the indicators for efficient use of fuel and power resources should be real in order to avoid the distorting influence of prices for products and resources;
- to introduce preferential bank loans for energy conservation measures; and
- to form a regional fund to develop the production of energy-saving equipment and technology from the taxes on profit for the inefficient use of fuel and power resources.

One of the most important tasks here is to develop a system of pricing which would make it possible to regulate the process of resource provision in relation to the degree of scarcity of one resource or another and the type of consumer and to conduct a purposeful policy of energy conservation by providing incentive for those who operate economically and by raising prices for consumers that are too "liberal." That is, prices should actively influence the cost of fuel and power; a system of taxes and benefits should be introduced, but inflexible allocation of funds for resources and capital goods must be replaced by wholesale trade.

For the purpose of economizing and efficiently utilizing energy resources and to coordinate energy conservation work, it is desirable to set up a special center in the republic to perform the following tasks:

- to conduct a unified technical policy in the field of energy conservation;
- to design and introduce new energy-saving equipment; and

—to analyze the use, record keeping, and rate fixing of fuel and power resources at enterprises and to identify causes of deviation and adopt appropriate measures afterward.

### Draft Energy Program to 2010

914E0080B Tashkent ZHIZN I EKONOMIKA  
in Russian No 1, Jan 91 pp 6-8

[Unattributed report on approval of draft energy program by Uzbek SSR Gosplan: "The Draft Energy Program Has Been Approved"]

[Text] The collegium of the Uzbek SSR Gosplan has reviewed the draft of the republic's Energy Program for the 13th Five-Year Plan and the Period up to the Year 2010.

The need to draft this program was dictated by the predicted sharp increase in Uzbekistan's requirements for energy resources in conformity with the concept for the republic's economic and social development which is being worked out, and in particular, with the more than fourfold increase in national income that is projected by the year 2010 (compared with 1985) and the policy of accelerated gasification, electrification, and provision of heating in the municipal and general service sector.

The draft of the energy program that has been prepared is based on the fact that natural gas is becoming the basic form of fuel in the region; its proportion in the structure of energy sources will reach 85 percent, but the volume of use in the forthcoming 20-year period will be nearly doubled. Together with gas, the energy requirements of the republic's national economy will be met by increased use of coal, oil, and petroleum products, but the volume of electric and thermal power produced will be doubled.

In order to meet the republic's needs for energy resources, the program provides for measures to develop and intensify our own resource base for fossil fuel (oil, condensate, gas and coal), nontraditional energy sources (primarily solar power), and extension of the scope of energy conservation.

In the oil and gas extraction sector, deep exploratory drilling operations are to be conducted, increasing the reserves of natural gas by no less than 900 billion cubic meters and petroleum—including condensate—by almost 100 billion tons; according to preliminary estimates, R1.6 billion in capital investments will be required for this. In addition, Another R350 to R400 million will be invested for subsequent development of the oil and gas deposits.

The resource base of Uzbekistan's coal industry will be reinforced basically by further exploration of the mines and pits in operation and prepared for operation at the Angren Coalfields, which, according to preliminary predictions, will provide for coal reserves to be increased to 40 million tons; exploration of the Baysun Coalfields, with a tentative increase of no less than 40 to 60 million

tons; and the completion of exploration at the Shargun Coalfields, which promises to bring the reserves up to 20 million tons.

In addition to the exploration for and development of our own energy resources, the question of bringing in natural gas from the Turkmen SSR, coal from the Central Asian republics, Kazakhstan, and the Kuznetsk and Kansk-Achinsk basins, and petroleum products from the Russian Federation and Kazakhstan is under study.

The shift in the economy of the Uzbek SSR, as well as the entire country, to market relationships has stimulated program studies to reinforce energy conservation. The steps being taken in this direction will make it possible to provide for an annual savings of significant amounts of energy resources by the year 2010, including 10 million tut [tons of standard fuel] of boiler and furnace fuel, about 12 billion kilowatt-hours of electricity, 15.4 million gigacalories of thermal energy, 1.8 million tons of gasoline, and 860,000 tons of diesel fuel. The intensiveness of energy and electricity use for the republic's national income will decline by 40 percent by the year 2000. It will become possible to reach the planned objectives in economizing energy resources by intensifying the structural and technological shifts in physical production sectors, and by reducing the specific norms of energy consumption to turn out a product when the achievements of scientific and technical progress, advanced technologies, and highly productive equipment are introduced. Targets have also been substantiated in the draft program to increase the extent to which secondary energy resources are utilized, to extend the use of electronic automation in controlling technological processes, and in other measures.

Regulating the consumption of energy resources will make it possible not only to meet the requirements of the republic's national economy and people in full, but to organize the importation of energy sources and the delivery of electric power outside Uzbekistan on a sound economic basis as well. According to preliminary estimates, it is possible to deliver 640,000 to 750,000 tons of coal, over a million tons of petroleum products, and 11 to 12 billion kilowatt-hours of electricity annually to neighboring republics and regions.

During discussion of the parameters of the Uzbek SSR Energy Program for the 13th Five-Year Plan and up to the Year 2010, it was noted that extremely limited amounts of nontraditional forms of energy—solar and wind power—are being utilized in the republic, as well as the Central Asian region as a whole, although the natural potentialities for their inclusion in economic turnover are extremely high. Unfortunately, as of today there are practically no economical and efficient developments and proposals in this area. The program provides for an increase in scientific and practical measures to utilize solar and wind power; in particular, substantiation is being provided for construction in the forthcoming years of a 300,000-kilowatt solar-fuel power station for experimental and industrial purposes and several wind power

generators with a total capacity of up to 7,500 or 8,000 kilowatts. This will make it possible to bring a substantial additional amount of energy into the power engineering balance; converted into standard fuel, this is equivalent to utilizing 900,000 tons of it in the 13th Five-Year Plan, and on the order of 2.4 million tons in the 2005-2010 period.

Because of the gas extraction industry's leading role in the power engineering balance of the Uzbek SSR, particular attention is given in the draft program to reinforcement of its material and technical base. In order just to put all the gas pipelines in satisfactory condition, over 2,000 kilometers of pipeline will have to be renovated in the next 5 years; over the long term, capital reconstruction and technical reequipment will have to be carried out on a number of gas pipeline sections, from Sazakino to Gazli, Gazli to Kagan and Shurtan to the Syrdarya GRES [State Regional Electric Power Station], and Tashkent Oblast customers will be linked to the Gazli-Chimkent gas pipeline. Capital investments of R880 to R900 million will be required to carry out the planned renovation and expansion work and construction of facilities in the gas transportation system and the underground gas storage.

The petroleum extraction industry will be developed further. As analysis has shown, the resource base of explored naphtha reserves does not enable us to forecast an increase in its extraction in the republic, although all the technical and organizational opportunities exist to stabilize the flow of our petroleum at the level reached. This is precisely what is being called for by the Energy Program, and methods of artificially maintaining reservoir pressure in formations and other methods to stimulate production, including the cycling process [saykling-protsess] procedure, which is a new approach under conditions in Central Asia, will be applied. At the same time, operations will be conducted to improve the quality of the raw material and in particular, to increase the depth for extracting light oil products from 68 percent in 1985 to more than 82 percent in the year 2010. By this time, practically all of the obsolete equipment will have been replaced in the sector and new technological complexes will have been introduced, which will make it possible to begin wide-scale production with raw material for locally produced and imported gasoline, bitumen, and oils of the highest quality and the new brands of oil additives.

The program provides for fundamental reorganization of the gas producing industry in such basic directions as increasing the complexity and depth of processing the hydrocarbon raw material and developing and introducing new technological processes. The Mubarek and Shurtan plants will continue to be the main centers for processing the gas, but their total capacity will be increased by 1.5 times as much from 1990 to 2010, reaching 45 billion cubic meters. At the same time, Uzbekistan will advance to one of the leading positions in the country in producing sulfur, a component in some of our gasfields which makes extraction very difficult

and use of the basic raw material—natural gas—very difficult today. After construction of sulfur cleaning installations at the Uchkыр and Sarytash Gasfields, sulfur production will be stabilized at a level of no less than 675,000 tons annually. It will be necessary to invest R225 million over the next 20 years to develop the gas producing industry.

The collegium devoted particular attention to development of the social infrastructure in the republic's fuel and power complex, making the Energy Program organically interrelated with high-quality restructuring of public-general and cultural-sanitation services for employees in these sectors and their families. According to preliminary estimates, about R1 billion in capital investments will be required to meet the targets involved (housing construction, the establishment of an extensive network of public health and sanitary institutions, and a great deal more).

Solution of ecological problems will become an important and integral part of the social development in sectors of the fuel and power complex. As noted during discussion of the draft program, neglect of environmental protection matters in the sectors of this complex could lead to a doubling of emissions into the atmosphere over the republic's territory by the year 2000. This is a considerable amount, and it would be made up of nearly 1.5 million tons of all kinds of toxic substances. In order to prevent this, a number of combined measures are being planned to reduce the ecological burden, which will make it possible to sharply cut back the emissions and pollution of reservoirs and to clean a substantial amount of the mine, pit, and refinery waste water.

The collegium also directed the attention of the program drafters to the fact that the freight traffic carrying fuel resources and transportation expenses will be increased substantially because of the intensive development of enterprises in the fuel and power complex, and that this will require reinforcement of the transport system, particularly many sections on the Central Asian Railroad.

It was also pointed out that, under the conditions of the republic's shift to market conditions in the economy, the mechanism for managing energy production in Uzbekistan needs a great deal of improvement; in its present form, it does not have enough flexibility because of the excessive planning centralization, it frequently paralyzes the initiative of workers collectives, and it fails to provide incentive in their production activity. Serious reinterpretation and restructuring of the mechanism for production associations' activity in the power engineering sectors is needed, and thorough study must be devoted to the problems of organizing new organizational forms such as ownership by a joint stock company, a lease contract, and so forth.

It was noted during discussion of the draft program that a number of problems which are now emerging today will be facing the republic in their full magnitude in the near future—the inevitable narrowing of the resource

base in the fuel and power complex and the increase in energy consumption. Among the immediate problems is the matter of scaled replacement of fossil fuel with atomic, solar, wind, and chemical power and other forms of energy sources on an industrial scale. Because of this, a number of questions arise over the long term: in particular, it is necessary to determine when and under which conditions it will become technically possible to site atomic power stations in a region with high seismicity and limited water resources; to analyze and substantiate the design and efficient capacity of industrial-type solar-fuel power stations; and to study the question of establishing a solar technology planning and design organization in the republic with experimental production and a testing area, and so forth.

In approving as a whole the scientific and economic studies and materials substantiating the Energy Program of the Uzbek SSR up to the Year 2010 which were

developed by the NIIEn s VTs of the UzSSR Gosplan, the collegium of the Uzbek SSR Gosplan instructed the drafters, together with specialists in the republic's Gosplan and the UzSSR Ministry of Power and Electrification, to review the calculated indicators in the draft and make the changes needed in them for the republic's shift to market relationships, which is under way. At the same time, the following were cited among the principal tasks in completing the work: improvement in the pattern of energy consumption to reduce the proportion of gas and replace it with coal in the republic's fuel balance, increased use of nontraditional sources of energy and tougher energy conservation measures, and improvement in the pricing of energy sources. Following more specific definition and elaboration, the draft Energy Program will be submitted for consideration by the republic's directive organs.

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### **Labor Law Lacks Legal Requirements**

914F0205B Moscow TRUD in Russian 30 Apr 91 p 2

[Article by N. Dorofeyev: "The Law Is Sometimes Wrong Too"]

[Text] Moscow—For many years the Soviet people were being persuaded that it was our country that would see the triumph of the principle of equality of all under the law, and this was reinforced in the USSR Constitution and the legislative-legal acts that protect our people. But the Soviet person could be especially sure of his inalienable right to work, which was not only declared in the Constitution but was also considered to be an indisputable social achievement of the state.

But, as it turns out, even in the area of social achievements we have not escaped deception. And it is namely in the sphere of labor legislation that the USSR Committee for Constitutional Oversight confirms this.

On its own initiative, the committee examined the Union norms for labor legislation and, in connection with the appeal from the chairman of the USSR Supreme Soviet, the republic norms. It was established that existing laws in this sphere far from fully correspond to the principles of the antidiscrimination policy. Their gaps and shortcomings lead to overt or covert violations of equal opportunities when it comes to a person's right to work, recreation, the health and safety measures for work, and equal pay for equal labor.

Take, for example, the ukases of the Presidium of the USSR Supreme Soviet that regulate legislation in the sphere of working conditions for temporary and seasonal workers and employees. The documents are dated 1974 and they contain provisions which deprive such workers of the right to a vacation and monetary compensation for it, which contradicts the corresponding article of the International Pact on Economic, Social, and Cultural rights where it is recognized that each person has the right to an annual paid vacation while retaining his job.

It has always been thought that the state is especially concerned about disabled persons and pensioners. This is "confirmed" by the decree of the USSR Council of Ministers of 14 September 1973, "On Measures for Further Improvement of the Use of the Labor of Old-Age Pensioners and Disabled Persons in the National Economy and Additional Benefits Related to This." According to this document, benefits in the form of shorter working days and longer vacations are for some reason enjoyed only by disabled persons working at enterprises or associations or in shops or sections especially intended for their labor. These benefits do not apply at any other enterprises. Thus disabled people with the same degree of disability are placed in unequal positions with respect to working conditions.

And as for pensioners, they too were given "their share" by the creators of the legislation on labor and employment. In this area certain provisions simply contradict

one another. One of the articles of the Fundamentals of Labor Legislation and the corresponding points of the articles of the codes of labor laws of the Union republics give as possible grounds for discharging workers on the initiative of the administration—the fact that they reach pension age. But at the same time Article 4 of the Fundamentals of Union Legislation on Employment of the Population attests to the idea that age is not a justification for violating equal opportunities for realizing the right to work. And according to international legal acts, the provisions of legislation that give age among the justifications for suspending labor relations, if this is not a part of the necessary qualifications, are regarded as discrimination in the sphere of labor and employment.

It is possible to give other examples as well from the materials presented in our newspaper by the Constitutional Oversight Committee, but these are obviously enough to see that there is a certain distance between the declared right to work and its actual application. Having considered certain provisions of the legal acts in this area, the Constitutional Oversight Committee adopted a decision whereby some of them are invalidated and others must be revised. From now on, for example, seasonal and temporary workers have the right to demand vacation or monetary compensation for it, and disabled persons the right to benefits, regardless of the enterprise at which they work. But this is only the first step. There is still a large amount of work to do on labor and employment legislation in order to bring the norms of Soviet labor law closer to the international standards in the area of basic human rights.

All these problems are becoming especially crucial today because of two other factors. First of all, having proclaimed the beginning of the construction of a rule-of-law state, it is necessary to provide for equality of opportunity for each person in gaining and taking advantage of these rights. And no less important is the transition to the market. Obviously, labor legislation must be brought into line with market relations. Otherwise, the working person could end up more dependent and unprotected than he was recently under "developed socialism."

### **Political Scientist Characterizes Workers' Rallies**

914F0209A Moscow TRUD in Russian 1 May 91 p 3

[Interview with V.V. Akimov, research associate at the Institute for Mass Political Movements and consultant to the USSR General Confederation of Trade Unions, by TRUD correspondent N. Dorofeyev in Moscow: "Overcoming Rally Stereotypes"]

[Text] We are returning its original meaning to May Day and hope that it will again become a Day of Workers' Solidarity, a celebration of the labor movement. What are workers today? This is the topic of an interview our TRUD correspondent held with V.V. Akimov, a leading research

associate at the Institute for Mass Political Movements and an expert consultant to the USSR General Confederation of Trade Unions.

[Dorofeyev] Vladimir Vladimirovich, can the contemporary working class in our country be called a "proletariat" in the traditional sense of the word?

[Akimov] I would not describe it that way. The working class in our country does not even have the chains from which it was freed in 1917, without giving anything in return. It appeared, unfortunately, that they did not need them. All they needed was a guaranteed minimum.

Now the criteria have changed considerably. The worker wants to live "at the maximum." But he has not been taught to work at the maximum; besides, the economic structure itself does not give him any hope of that. Therefore the Soviet worker today is not a proletarian. He is, however, standing on the threshold of being transformed into one. The country is moving toward a market; a wave of mass closures of enterprises and unemployment is a possibility. When this begins to seriously manifest itself; when we develop a system of governmental public works under which people will start working not where they live but where there is a workplace—known in advance to be short on creature comforts—then we will have proletarians in a true sense.

[Dorofeyev] That is, we will come a full circle of living according to Marx?

[Akimov] It is fashionable to say today that Marxism is outdated. But let us look at the classic definition of classes as large groups of people distinguished by their relation to property. Before perestroika there was no such problem: there was only one single all-people's or kolkhoz [collective farm] cooperative property. Now there is a differentiation, and we are returning to a situation in which there will be several owners: the state, private entrepreneurs, and collectives. This means that society will start to separate into classes or social groups. We can call it anything we want, but the substance remains the same.

[Dorofeyev] What is most typical for the modern labor movement in our country?

[Akimov] The process that is going on in our country today may be compared with identical processes in Western Europe in the 1820's-1840's—the emergence of self-awareness. Some groups among the workers have arrived there faster and are aware of the value of their labor—for instance, the miners. Very frequently, however, they cannot yet express the criteria by which this value is to be measured—by the value of coal sold or by the volume of their contribution to the process of societal development.

There are many criteria; nevertheless, the workers are trying to determine their position. Thus, all kinds of organizations and movements are emerging. Sometimes they compete among themselves, and do not recognize

each other, but there is nothing terrible about this, for self-determination is not a one-day process. Later, of course, the question will come up: With whom and where to go; the problem of searching for allies will arise. But this will be later. Right now the working class is at the stage of transition from a class "in itself" to a class "for itself."

[Dorofeyev] What stands in the way of completing this transition now?

[Akimov] The level of knowledge in society in general, and among representatives of workers movements in particular. The very scant knowledge obtained in school, and the lack of information [as published] that comes mostly from newspaper articles of a populist bent, do not allow this to be achieved. Nobody has ever taught them to calculate the situation in advance, to build a model. For instance, we go on strike; what happens next—in a month, or a year—even if we succeed? We should not deny, however, that the intellectual level of the workers movement is rising, and rather fast. This can be easily explained: at a time of revolutions a new pace of self-education develops. A worker gets his education by resolving practical situations, and by going through difficult real-life collisions.

[Dorofeyev] The labor movement is a subject of your studies. How serious a force is it?

[Akimov] It is a serious force, but so far it is a spontaneous one. It works on a rally stereotype. So far it only expresses what people do not want. They are united by an old formula: we cannot live like this anymore.

[Dorofeyev] But random forces are a dangerous thing, first of all because they are unmanageable. They sweep away everything that stands in their way, while not creating anything. Do you not think that so far the labor movement is a destructive process, and nothing else?

[Akimov] So far, it is mostly so. But, in my opinion, it reflects general processes in our society which could be called social Luddism. We destroy the altars at which we prayed and the springs from which we drank. The force of elements can only give birth to various forms of protest. It cannot exist for long, however. One has to move on from protest to something positive—then self-organization and the working out of realistic programs, rather than wishful thinking, will begin.

However, we cannot overlook the next wave on the horizon that will inevitably come to replace the current wave of rallylike passions. It is quite obvious that unemployment in the country will be on the rise, which will create competition between different groups of workers. This will transform the notion of workers' solidarity as well. Right now it means: We strike together with the miners, or at least support them financially. But there is also another side to solidarity, which the miners fail to see clearly. It concerns helping other workers, those in a different industry or oblast, to keep their jobs. Without

the miners' coal these jobs will disappear. Alas, such an understanding is a thing of the future, albeit a not too distant one.

[Dorofeyev] Can the labor movement in our country exert a significant influence on the government's domestic policy?

[Akimov] Unquestionably so. We can already sense that. But it will be even more effective in this sense after it starts presenting social-economic and political demands in a well thought-out way and only in this way.

### **Metallurgy Collectives Object to Fiscal Measures**

914F0199A Moscow TRUD in Russian 10 Apr 91 p 2

[Interview with Nikolay Nikolayevich Karnaukh, chairman of the Soyuzmetall Trade-Union Center, by D. Grafov: "The Metallurgical Workers Do Not Have Iron Patience"]

[Text] The floor in the editorial offices is literally flooded with appeals from enterprises and desperate demands and requests for help. These SOS's are completely alike. It is a question mainly of the workers' severest social needs.

The misfortunes and complaints of miners, chemical workers, power workers, railroaders, and oilfield workers can be reduced down to the following: these branches of industry find themselves in a critical state, their fixed capital is worn, and they do not have enough funds of their own for rebuilding; on the one hand, state orders and strict fiscal measures press down on them and, on the other, funds that are allocated are not provided; relationships that have been established are broken; suppliers inflate prices; and wages are restricted—so people are leaving. The government should pay attention to all this and make decisions quickly. The collectives' problems are becoming especially severe right now because of price reform.

It was these very demands that were contained in the appeal of the country's metallurgical workers, which was signed by the chairman of the Soyuzmetall Trade-Union Center, N. Karnaukh. Our correspondence met with Nikolay Nikolayevich and asked him to answer: Where is the way out of the prevailing situation?

[Karnaukh] I am telling you frankly that the situation in the laboring collectives is on the verge of getting out of control, and the main causes are low pay and the transfer of many enterprises into the losing-enterprises category. Metallurgical workers do not understand the state's attitude. The government's policy is that benefits are being introduced only for enterprises that have forms of ownership other than state enterprises. Conditions are becoming unequal even in comparison with other branches. Contract prices have been extended to most types of output and increasing coefficients introduced for fuel and electricity, but prices for metal have stayed unchanged.

The situation is exacerbated by the specifics of the production itself. It is poorly profitable, because it is intensive in materials and energy and requires high labor expenditures, and then add to this our outmoded technology. Since the times of the "decisive" five-year plan, everything has been wrung out of metallurgy. Now we are left with nothing.

The withdrawal of the 20-percent amortization into funds for stabilizing the economy has aggravated the situation for many enterprises. I shall cite an example, the Kuznetsk Metal Combine. It is 58 years old. Radical rebuilding with shutdown of the open-hearth furnaces is required. The cost is 1.18 billion rubles. Out of a profit of R106 million planned for this year, only R64 million will remain at the disposal of the collective. There are no funds for capital investment, and for other indispensable needs there is a shortfall of another R18 million. Another example. The Tyrnauz Tungsten-Molybdenum Combine. The balance-sheet profit is R130 million, of which 99 million will remain. And there is a shortage of R28 million for capital investment, just for maintaining capacity. Who will give this money?

In not one developed capitalist country do metallurgical enterprises exist independently. They are included in firms, concerns or corporations. Full independence is granted to enterprises in the ongoing management of production, but the corporation or joint-stock company is directly engaged in developing and rebuilding them and in the delivery of raw materials. The main portion of profit is in these hands, and funds can be concentrated on individual facilities.

And our demands: establish free prices for metallurgical enterprises with a restriction of 35 percent on profitability, 40 percent for ore-mining enterprises, a doubling of the wage fund, the removal of restrictions on accumulations and on expenditures of the consumption fund. Finance large construction projects through the state budget and let all amortization deductions remain at the enterprises.

[Grafov] As I understand it, you have agreed that in a market environment, metallurgical enterprises should be combined "western" style—let us call it that, but it would be strange if American metallurgy began to ask their government to finance the construction of new enterprises.

[Karnaukh] If the parental state has taken all the enterprises' profit for the duration of their history, then let it bear responsibility and give some help. The enterprises right now do not have enough of their own funds to survive, even if they join together into large associations. There is also ownership. The banks give credit provided that repayment starts in three years. In metallurgy this is possible in 5-7 years, but for mining it is 10-12 years. Moreover, the terms for credit nowadays are themselves more expensive.

[Grafov] You advance demands on the one hand to reduce the state order and to authorize contract prices

and, on the other, to impose order in supporting the basic branches of the national economy. I am reading now: "People demand the abolition of exorbitant contract prices and the imposition of a state procedure for price-setting for consumer goods." But if the price for metal rises, everything becomes more expensive.

Compensation to enterprises, subsidies, and favorable credits when there is a budget deficit means the printing of money, bartering, a collapse of production ties, inflation, and a drop in the standard of living of those discharged. Where is the logic of it?

[Karnaukh] We have a moral right to make demands, because in years past other branches of the economy developed at the expense of metallurgy. We are not calling for a restriction on anyone's earnings, we simply are proving that our earnings are small unfairly. The former ideology was: pay as little as possible—enough to be dressed, shod, and fed. And everything else came from social funds. Now the market has become unbalanced. Much of what was free now must be paid for. A huge number of poorly profitable enterprises are no longer in the mood for social programs. Whatever happens in the economy, prices are changed in just one direction. And now they have risen again, severalfold. The cost of eating in plant dining halls jumped at once from 60-70 kopecks to three or four rubles. Last year the Cherepovets Metallurgical Combine spent R5 million to compensate for this increase in cost, and this year R13 million will be required.

But now enterprises must again compensate partially for the rise in retail prices. From what funds? There are none!

[Grafov] In order to insist on some kind of measures, it is necessary to understand, all the same, what is happening.

[Karnaukh] The situation is this: the enterprises, on the one hand, were still bound (from the top) to a planned economy, and, on the other, these ties have now been broken (from below). But we live according to either one system, or to another. Either we are provided with everything and 100 percent of the state order is demanded of us, or it is reduced and contract prices are allowed. But when the price for "input" is 40 percent of contract prices and 20 percent for "output," we lose about R3 million on it.

Attempts are being made to reduce the budget deficit precisely through the redistribution of financial resources and a strangling of the interests of industrial enterprises.

And nature-conservation measures? They were not even considered in the formulation of wholesale prices. However, right now practically all local organs are applying economic penalties that threaten to remove R3-4 billion from the expected profit of enterprises.

[Grafov] How should a metallurgical complex function if your proposals are implemented?

[Karnaukh] I will begin from the state order. It should in essence be an encouraging measure and be issued on a competitive basis. Its acceptance and execution must stimulate by reducing tax rates and by allocating centralized capital investment and supply and equipment resources preferentially. These were the intentions of Gosplan [State Planning Committee] when it developed the concept of the state order for 1991. But it happened, for example, that the branch had to sell 95 percent of the industry's zinc to customers under Gosplan's ceilings, and then to buy with foreign exchange 130,000 tons of zinc for its own rolled-zinc production. Many republics, krais, and oblasts are establishing their own regional orders which, together with the state order, exceed production capacity. Local and Union interests are artificially opposed. There is one way out: a single state order for the country as a whole, to be reduced annually, bringing enterprises closer to the market.

Of course, under a competitive state order, production ties that have been imposed fade away, and we find ourselves facing the fact that some enterprises will close. But these should be the obsolete, weak enterprises, not those which exceed the shipments of coal or ore from other regions.

Many types of output, unfortunately, cannot be produced without the importation of raw materials. But the system adopted for this year for withdrawing foreign exchange does not provide for reimbursement of the required expenditures. A serious mistake was committed in the Law on Enterprises. The problem is the fact that in the overwhelming majority of cases some enterprises import output while others export. The exporter is designated depending upon the type of output, the geography, and so on, that is, the acquisition of foreign exchange earnings is not its virtue. Therefore, foreign exchange should go not to the enterprise but should be accumulated in the concern or association which pays for imports, while the exporter gets a foreign-exchange fee.

[Grafov] Let's return to the present day. What is the situation that has prevailed because of the coal miners' strike?

[Karnaukh] There is an especially complicated situation right now in the Ukraine, the Kuzbass [Kuznetsk Coal Basin], and the Urals. Many coke batteries are on the verge of shutting down, and that also means damage. But if the byproduct-coke industry workers shut down, the metallurgical workers also will stop. And many other branches along the chain will also start to fade. Recovery will take years, and hundreds of millions of rubles will be required.

We, of course, are supporting the coal miners' correct economic demands on the government, and, undoubtedly, their problems must be solved more vigorously.

But at the same time it must not be forgotten that the workers of mining and metallurgical production are operating under the same difficult conditions. Therefore the Soyuzmetall Trade-Union Center is striving for negotiations with the government for increases in wages and the consumption fund. We pose the problem of bringing Union and republic laws about pension provisioning into correspondence. Still another problem on the agenda now is compensation to enterprises that are experiencing losses caused by the purchase of output under the new prices for feeding workers and expenditures for the increase in the cost of housing construction. Moreover, the trade-union center insists that the sums obtained from enterprises in the form of fines for damaging the environment go to the financing of nature-conservation measures at these enterprises.

We see the trade-union's main task as being that of assuring that workers of the mining and metallurgical complex receive the same thing that the coal miners get. This demand is aimed right now at the government. We express hope that the joint efforts of working collectives in defense of their social and economic interests will achieve their goals.

#### **Direction of Lithuanian Trade Union Movement Discussed**

*914F0198A Moscow TRUD in Russian 25 Apr 91 p 2*

[Article by TRUD staff correspondent G. Koncius: "Leaving the Barracks: Will a United Trade Union Movement Survive in Lithuania?"]

[Text] Vilnius—It has been more than a year since the congress at which the Confederation of Free Trade Unions of Lithuania was formed. Since then, nobody has been able to say what has been happening—the painful birth of a new structure or the equally painful agony of an old one?

Back then, the extraordinary congress was organized by a group of leaders of the republic committees of branch trade unions. Prior to this, they "deposed" the leadership of the republic trade union council, accusing it of indecision and inaction. In all fairness, we should say that had the leaders of the trade union council been smarter they could have leveled the same charges against the leaders of the branch committees and, having stirred up the trade union aktiv, could have had the leaders of the branch committees themselves replaced. However, this was not the way it happened. For the most part, staff functionaries came to the congress who understood their main task well: to elect a council of the confederation that would not interfere in the affairs of primary committees and would merely "approach" the Supreme Council and the government intending to defend the interests of hired labor before these bodies. The first segment of this formula—"let the grassroots be"—appears to be debatable at the very least, whereas the second—to become an opponent of the legislative and executive authorities of the state—is absolutely not in doubt.

However, specialists and funds are needed in order to analyze in depth a wide stream of adopted laws and resolutions. Meanwhile, delegates to the congress decided to give the trade union center virtually no money. They resolved that all branch committees would allocate one percent of their membership dues for the maintenance of the council of the federation, that is, precisely as much as is required to maintain a small staff of employees and buildings owned by the trade unions. Associate Professor Longinas Radzeivicius, a person quite far removed from trade unionism but supported by the Sajudis, still strong at the time, was elected council chairman.

Therefore, disarray and hesitation in the trade unions of Lithuania were preordained in advance. Here is one more important circumstance that hobbled the council: any mass action in defense of the interests of the working people sponsored by it could be viewed by a segment of society as an encroachment upon the independence of Lithuania, as complicity with its adversaries. The council could not overcome this fear.

As folk wisdom tells us, when it rains it pours. The most radical branch trade unions left the federation—medical personnel, employees of local industry and the service sphere, the food industry, and others. Journalists, theater employees, the union of teachers, and a number of large primary organizations severed connections with their branch committees. New trade unions emerged, and their associations were created, among which a coordination center on the platform of the Social Democrats became the best known. Activists of the Union of Workers of Lithuania, a small semipolitical, semi-trade union organization which nonetheless enjoys the support of the authorities, hurled fierce criticism at "the old Bolshevik trade unions." Kazimieras Uoka, the leader of this organization, got a ministerial portfolio; he became chief state controller, but nonetheless they still consider him honorary chairman of the Union of Workers. Many newborn unions set out to claim their share of the rich assets of the confederation.

At this point, the confederation was dealt the most powerful blow. The republic Supreme Council resolution "On Aid to Newly Established Trade Unions and the Assets of Former State Trade Unions" was adopted. According to its Article 2, transfers or rentals of the confederation assets to other individuals or corporate persons were banned. In other words, trade-union assets were sequestered, and this is still the case. However, in contravention of the resolution, the editorial office of the state newspaper LIETUVOS AIDAS, which has become the mouthpiece of the right-wing majority of the Supreme Council, moved into the building of the confederation council. Another floor was turned into barracks where the guard of the parliament was quartered. It was no secret that deputies strove to expand their domain and altogether occupy the entire building of the confederation council, which has the misfortune of being located next to the Supreme Council building. The pilferage of trade union assets was under way. It had

already been resolved to return to old owners buildings that had been given to the trade unions before the war. The tourism and excursion council spun off, becoming a state enterprise. It was resolved to transfer trade union sanatoriums to the city authorities of Druskininkai.

Under these difficult circumstances, Marijonas Visekevicius came to "the helm" of the confederation. He is a worker, an equipment operator at the Jonava Production Association Azotas; he is known in Lithuania for his vigorous political activities. He has been elected USSR people's deputy. In his first speech before the deputies of parliament, he made several demands: to adopt a law on collective bargaining in the immediate future, to repeal the sequestration of trade union assets, to allow the centralized collection of trade union dues through the payroll offices of enterprises, and to give him an opportunity to speak on TV. To date, only two demands have been met: The law on collective bargaining was adopted recently, and the chairman was allowed to speak on TV...

Simultaneously, dissatisfaction with the social and economic policy of the government has mounted in primary trade union organizations; demands have been heard increasingly often to adopt laws defending the interests of the working people sooner. At an aktiv conference of the Confederation of Free Trade Unions of Lithuania which was held on 20 March, demands addressed to the Supreme Council were adopted: to pass laws on trade unions, on leaves, on hiring, and other urgent documents the discussion of which was being dragged out. The confederation promised to resort to resolute actions if these demands were not met. Opportunities for organizing mass pickets and a general strike were discussed. In addition, the demand was made to publish available draft laws on the return of real estate to former owners in the press for an extensive discussion before the law is discussed in the Supreme Soviet.

The deadlines have passed, but the demands of the trade unions, in essence, have not been met. Nothing has been heard so far about the resolute actions promised.

Marijonas Visekevicius told me: "We do not want to confront the authorities; this may indeed complicate the restoration of the genuine independence of Lithuania. We strive for a constructive dialogue in the belief that this form of fighting for our rights is the most effective. Some people in the Supreme Council mistake our moderation for weakness. However, they forget that we were, and are, the organization with the largest membership. Dissatisfaction with the economic and social situation is mounting inside the organization, and protest is growing against laws that encroach upon the interests of a majority of the people of Lithuania. There are limits to the patience of the people, and when their patience comes to an end, we will not be afraid to head strike pickets. A republic strike committee has already been created to this end."

In a word, there were only declarations that hardly suit anyone anymore. The teachers could not stand it anymore, and threatened to picket the building of the government. Their wages were increased. Employees of consumer unions posted pickets. Strikes of local extent began here and there. These actions promoted new leaders who accumulated experience in genuine trade union activities and polished their oratory. Will these people come to the Confederation of Free Trade Unions, will they be able to make abrupt changes in its life? If they do, there is hope that a unified trade union movement capable of worthily advocating the rights of hired labor will survive in Lithuania. What if they do not, if the old and newly emerging trade union organizations, movements, and centers take the path of isolation? Of course, at some point they will grasp the need to pool their efforts. However, this will take years. Meanwhile, hired employees will be left to deal with employers alone in the environment of a transition to market relations. Disjointed and weak trade unions will hardly be able to advocate their interests.

#### **Latvian Economist Peruses Employment Models**

914F0207B Riga BALTIYSKOYE VREMYA  
in Russian No 1, 8 Jan 91 p 6

[Interview with Vladimir Menshikov, chief of the chair of political theory and history at the Daugavpils Pedagogical Institute, by K. Rotmanova: "Will There Be Mass Unemployment?"]

[Text] We are paying a visit to Vladimir Menshikov, chief of the chair of political theory and history at the Daugavpils Pedagogical Institute. He also heads the Center for Socioeconomic Studies of the Daugavpils organization of the Democratic Labor Party of Latvia. At present, he is working on the issue of employment of the populace.

[Rotmanova] Vladimir Vasilyevich, all of us fear losing our jobs now—workers and engineers, young people and those in preretirement age brackets. How justified are such fears?

[Menshikov] Everything depends on structural changes in the economy. In principle, three models are possible. All of them have their own peculiarities as far as the labor market is concerned. The most undesirable scenario involves the preservation of a command economy. It may undergo some superficial changes, too. For example, the entrepreneurial sector will grow by a factor of two. However, since this sector employs only five percent of the able-bodied populace, the monolith of state property will essentially remain intact. This situation is fraught with considerable troubles for young people. There will be no opportunity to get hired by existing enterprises, whereas new ones will not be started. Under the circumstances, the leadership of a city (any industrial city of Latvia—note by K. Rotmanova)

may only be advised to suggest that the young people leave for rural areas or foreign countries in search of work.

[Rotmanova] Indeed, these are not rosy prospects. Moreover, young urban dwellers will hardly rush to the countryside. What is in store for us if a transition to a market economy and, correspondingly, a variety of property forms occurs?

[Menshikov] The so-called West European model of a mixed economy is the most probable one. In this case, the young people will have considerably better opportunities because new enterprises will open, and a chain of small- and medium-sized enterprises will develop. However, technical bureaucrats are likely to suffer under such circumstances.

[Rotmanova] Do you mean our unfortunate engineers with the skills and salaries of, at best, technicians?

[Menshikov] Precisely. In the environment of harsh competition, enterprises will be forced to get rid of those who merely pretend to be working, and to reduce corresponding staff positions. Many of these people do not know how to really work. Those who have specialized in imitating work for 15 to 20 years cannot adapt quickly. Perhaps, it makes sense to give these people, especially women with children, decent benefits, and give them an opportunity to bring up children. This will suit many of these women, and it will also improve the production situation at the enterprises themselves.

[Rotmanova] Do you believe this West European model of economic development to be the most probable? Is this to say that there is still another model, albeit a less likely one?

[Menshikov] Indeed. It is a path of economic development which may be conventionally called American. It calls for the rapid privatization of about 90 percent of state property. We do not have conditions for this: Our financial and banking system is not ready, and there are no sources of capital investment for restructuring technological processes. However, if such a miracle were to occur, the problem of employment would arise for many strata of the population, especially for older age brackets, between 40 and 55. At the same time, the potential of local budgets would increase abruptly due to efficiently operating enterprises and corresponding taxes. Substantial social aid could be provided, including by means of creating efficient retraining centers, study abroad, and so on.

[Rotmanova] How do you evaluate employment prospects in, for example, Daugavpils? I believe that the situation is approximately the same in other industrial centers of Latvia.

[Menshikov] Official statistics put unemployment at two percent in Daugavpils, and 2.6 percent in Latvia. However, these statistics do not account for so-called frictional unemployment, the turnover of personnel. If we

take into account all segments of unemployment, the first wave of unemployment in Daugavpils will come to about 11,000. Is this a lot? I do not think so, given that at present unemployment is about 5,000 or 6,000, taking all the segments of unemployment into account.

[Rotmanova] Will all of these thousands hopelessly look for work, gradually losing hope and getting angry?!

[Menshikov] I do not think so. If small-scale entrepreneurship develops with state support for this sector, very many of them will find something to do. After all, there are entrepreneurs, but there are no opportunities. Seed money is not the only issue. There are no offices, and there are tremendous difficulties with material and technical supplies. After all, the state provides no assistance in this sphere. Some points are unclear as far as regulatory documents are concerned. However, I think that the outlook is far from pessimistic if all of these issues are resolved favorably.

#### **Kazakh President Meets With Republic, Union Industry Leaders**

*914F0207A Alma-Ata KAZAKHSTANSKAYA PRAVDA in Russian 26 Mar 91 p 1*

[KAZTAG report: "The Industry of Kazakhstan: Toward Great Changes"]

[Text] On 25 March, Kazakh SSR [Soviet Socialist Republic] President N.A. Nazarbayev held a conference for the managers of industrial, construction, and transportation enterprises affiliated with the Union and the republic.

The acute need to take urgent measures in order to stabilize the economy, to establish close cooperation between enterprises reporting to the Union and republic management structures, and to work out a unified economic policy at the stage of switching to a market economy was stressed in a report by the president and during the discussion that followed. It was noted that the implementation of radical reforms on which they have embarked in the republic is hindered by a lack of balance in economic relations between various regions of the republic and the country, a decline of production, and unsatisfactory compliance with contractual obligations.

Under the circumstances, it is necessary to accomplish radical structural changes in the economy of the republic and to gear it primarily to expanding the output of consumer goods, to develop research-intensive industries in every way possible, and to reinforce horizontal relations with Union republics. Views were voiced concerning the need to change existing relations between the center, the republic, and the enterprises in the distribution of hard-currency proceeds, and to increase the efficiency of using the export potential of Kazakhstan.



Many leaders of enterprises reporting to the Union noted that in a situation in which the role of central management organs has been weakened, it is necessary to effect a transfer of these enterprises to the jurisdiction of the Kazakh SSR.

Special attention was paid to the issues of training and retraining personnel for work under new conditions. Participants in the conference supported the proposal of the republic president to set up a fund of economic and social reforms. It is called upon to provide reliable support for training specialists both inside the country and abroad, and developing and administering expert reviews of original concepts, ideas, and projects in the economic, scientific-technical, and social spheres.

With a view to developing entrepreneurship more extensively and coordinating the actions of merchandise producers, the issues of setting up republic stock and merchandise exchanges were considered, as well as those of forming a regional scientific-industrial union—a public structure called upon to create the most favorable conditions for economic development.

An involved exchange of views on a number of other current issues of the socioeconomic development of the republic occurred.

Prime Minister of the Kazakh SSR U.K. Karamanov, state counselors, heads of ministries, departments, concerns, associations, and banking establishments, economic scientists, and soviet and party functionaries of the republic took part in the proceedings of the conference.

A report on the conference will be published in the press.

### **Chairman of New and Small Businesses Union Interviewed**

*914F0204A Moscow TRUD in Russian 27 Apr 91 p 2*

[Interview with S.N. Lobanov, chairman of the Central Council of the Trade Union of New and Small Business Employees, by TRUD correspondent N. Grineva: "Big Problems of Small Enterprises"]

[Text] S.N. Lobanov, chairman of the Central Council of the Trade Union of New and Small Business Employees, answers a TRUD correspondent's questions.

[Grineva] Sergey Nikolayevich, your trade union is one of the new ones. What has brought it into existence?

[Lobanov] The rapid growth of small enterprises is closely related to the structural perestroika of the economy. Such enterprises emerge on the basis of different forms of ownership and are considered "small" by two criteria: the number of employees and the volume of economic turnover. Their founders may be legal entities, as well as any individual, family members, or a group of like-minded people jointly conducting work activities.

Small enterprises—of which about 20,000 are registered in Moscow alone—today employ over five million people. Their operations also closely affect the fate of tens of millions people who perform various kinds of work and services on a contract basis. This is especially typical of small engineering, scientific, and innovation-oriented enterprises. In the process of privatization and de-state-ization that has already started, small enterprises are destined to play a special role.

At the First National Conference of Small Enterprises that recently took place at the USSR VDNKh [Exhibition of Economic Achievements], it was emphasized that the small-business sector has proven, in a relatively short period of time, its vitality and effectiveness. While the general volume of production in the country declines, last year only small enterprises, leaseholders, and cooperatives were growing. All of this is taking place despite an enormous mass of unresolved problems. To this day, there is no legislation on small business; the issue of small businesses branching out of large state enterprises has not been settled; the taxation system is far from perfect; none of the organs or programs to provide state support to such enterprises has been created; and there is no mechanism for providing reliable legal and social protection for those who work there.

The communality of economic, social, and legal problems and the interests of those who work in the small-business sector necessitated the emergence of our trade union, as well as other public organizations—such as the Union of Small and New Enterprises of the USSR, and the Federation for Development and Support of Small Business, with whom we actively work together.

Our trade union is independent of state administration organs, and of political and other organizations. However, we reject the "independence" that is sometimes proclaimed by some leaders of alternative trade union structures and that sometimes spills over into a confrontation. We stand for the de-ideologization of small business. At the same time, we are for cooperation with those, who—by their practical actions, not by declarations—help to strengthen social guarantees for working people engaged in the nonstate sector of the economy.

We have no desire, nor do we strive to put ourselves into opposition to other trade associations. We are ready to work together with all trade unions, including alternative ones, to solve the problems facing small business.

Our trade union joined the national General Confederation of Trade Unions, while maintaining its organizational and financial independence. In our opinion, during the transition to a market it is more important than ever to promote the unity of the trade union movement, which may become a consolidating force in a society torn by contradictions.

There are, however, problems, the solution to which we approach from a different angle than some other trade associations. This involves first of all social insurance,



the application of the existing legislation on labor, the practice of signing collective agreements, etc.

[Grineva] As far as I know, anybody working at a small enterprise can join your trade union. However, do not enterprise owners and hired employees have different interests?

[Lobanov] Our concept is this: at the first stage of formation of a nonstate sector of the economy, the trade union will combine the interests of both a small-business owner and a hired employee. After all, the former also needs protection from omnipotent state monopolism and incompetent bureaucratic interference. At the same time, we are absolutely convinced that, in fulfilling its social function, the trade union cannot remain a "two-faced Janus." As entrepreneurship develops and initial capital accumulates, small enterprises will become a scene for social contradictions and conflicts. We see the signing of appropriate agreements and collective contracts as the main instrument in resolving these conflicts, with the main issue being the value of labor of hired employees.

[Grineva] What is the structure and membership of the trade union?

[Lobanov] Right now the trade union has over 300,000 members. Our charter permits the formation of republic, kray, oblast, city, and other regional committees and councils of the trade union. Only primary organizations themselves have the right to make a decision to this effect. We already have independent trade unions of small and new business employees of the Ukraine, Belorussia, Kazakhstan, and Armenia. There are more than 20 regional trade associations operating in the Russian Federation. Today we are practically standing at the threshold of forming a federation or a confederation. By the way, our trade union's central council is structured on the principle of direct delegation from member organizations; its apparatus, which only has 10 employees, fulfills mostly a coordinating function.

[Grineva] What practical steps is your trade union undertaking?

[Lobanov] Our practical actions are determined by specific problems small-business employees encounter; by the specificity of their operations; and by the different forms of ownership. Small and innovative enterprises do not have administrative organs represented by ministries and departments; at the same time, associations of entrepreneurs are still in the embryonic stage. Therefore, one of the most important directions of our work is our participation in the development of legislative and normative acts for the transition to a market economy, the support of entrepreneurship, and the strengthening of the social protection of the workers.

The trade union and its regional branches started working actively with the people's deputies soviets and their executive organs on the matter of creating a material base for workers' rest and recreation, of meeting their needs in respect to housing, day care, health care, and other social and everyday needs.

We are also involved at this moment in working out an approach to conclude agreements with the USSR unions of small and new enterprises on social issues and occupational safety issues; and we have developed recommendations for trade organizations that cover the process of entering collective agreements and organizing an occupational safety base.

Keeping in mind that our trade union has a right to independently manage its social security fund, we are trying to put it on a commercial basis. The fund's resources should "work" and bring profits, not just be redistributed. In the future we are planning to augment mandatory social insurance by a wide array of voluntary ones, and to create within the trade union a commercial insurance company. We have a number of other interesting ideas. At this point, we are laying down the foundation and creating the basic mechanism of social protection of the trade union members; therefore, it is probably too early to summarize the results.

## CIVIL AVIATION

## First-Quarter Aeroflot Performance Reported

914H0147A Moscow VOZDUSHNYY TRANSPORT  
in Russian No 18, May 91 p 3

[Article by V. Tamarin: "The Resources Are Not Exhausted"]

[Text] The report on the industry's performance in the first quarter of 1991 was made by First Deputy Minister A. Goryashko. The figures showing to what degree the state order was fulfilled are quite satisfactory (passenger traffic grew by three percent compared to the first quarter of last year, the industry carried 27.3 million passengers and 493.5 thousand tons of cargo and mail); however, interruptions of fuel supplies, wasteful fuel consumption, the inflexibility of financial services and of the GUZSANT [Main Administration for Air and Ground Production Equipment Orders] with respect to new equipment supplies, an increase in aviation accidents caused by errors by aviation officials—these motivate us to talk about the shortcomings rather than enjoy the raptures of success. Moreover, the fare increase has started to repel passengers (the number of tickets sold fell considerably, if compared to the same period in 1990). Poor social protection for industry employees, while they are besieged by price increases, insufficient reimbursement of business trip expenses compared to real prices, and the cancellation of company tickets for employees—all this is causing many well-qualified people to start thinking about changing jobs and professions.

In general, there were enough grounds to do a serious analysis. Let us also try to draw some of our own conclusions on the basis of what we heard.

## Fuel Tanks are Empty, But Too Much Fuel is Used

During the first quarter of the year tens of thousands tons more fuel were used than budgeted. The commercial load in aviation, meanwhile, diminished by 2.4 percent! An especially large amount of kerosene was used in the Volga area, by the TsUMVS [Central Administration for International Air Traffic Control], Armenia, Uzbekistan, the Ukraine, and the Far East. At the same time the actual flight time in PANKh [Use of Aviation for the National Economy] aviation diminished sharply due to lack of fuel. For instance, almost half of all the helicopters in Tyumen Oblast remained idle for that very reason.

All in all the ministry received 160,000 tons of kerosene less than it was supposed to, which is not to mention chronic shortages of aviation gasoline supplies. It seems that the administrations, associations, companies, concerns, and corporations should have sent their quarterly requirements to the UGSM MGA [Ministry of Civil Aviation Administration for Fuel and Lubricants] before summer started, as is required in the well-known instructions of the Civil Aviation Ministry. But this was not done. What could have caused such complacency? What

can the Civil Aviation Administration chiefs or general managers tell their passengers and employees in this respect?

## Where the Danger Is Coming From

Any flight is always dangerous. Whatever might be said about equipment reliability or the well-trained crew, it still happens that the equipment fails and the crew does not perform its best. All of this taken together sometimes leads to distressing results. On occasion it so happens that the ground services try to do everything, at best because of slovenliness, to cause the crew or the flight personnel to be barely able to avoid a critical situation later. Here are some examples. They have different causes but the same ending: During the first quarter there were four accidents, 20 emergency situations, and 77 incidents of aircraft being damaged on the ground. Aviation employees are at fault in 71 percent of these cases.

An AN-24 plane of the Uzbek Civil Aviation Administration crashed in the city of Navoi. Four crew members and 30 of the 55 passengers on board were killed. An accident involving a TU-154 owned by the Azal concern took place in Lvov. The accident was caused by extreme overloading of the plane. The center of gravity shifted due to a load of a million nails (and that is only the registered number!). Without trying to justify the blatant violations by the crew, A. Goryashko also condemned the actions of the Baku airport management. These individuals literally force crews of other administrations to carry extra loads of flowers, as happened, for instance, with the crew of the Aerovolga concern. If the crews refuse to comply, blackmail and provocations are applied to them.

During the first quarter of the year five incidents were noted on supervised flights in which safety procedures were not properly observed on first- through third-class planes. This fact suggests some upsetting thoughts. The same can be said about the tendency to lower the requirements extended to both the aircraft captains and those who organize the work of the crews. The Ukraine, Azerbaijan, Northern Caucasus, and Mineralnye Vody were named in this respect. **An especially dramatic worsening of the situation took place in Uzbekistan and Kazakhstan, and these are places that carry out a considerable volume of air transportation.**

Political emotions caused by the unstable economic situation in our country have also sucked aviation employees into their vortex. Industry managers at various locations try to dodge pressing questions that people are concerned about; instead, they claim that all decisions are being made at the Civil Aviation Ministry. This kind of policy is leading to a loss of confidence in the center and in the ministry which, by the way, has delegated almost all of its financial and economic authority to the local management. While emotions are boiling around the issues of wages and better social conditions, the main issue—that of flight safety—

somehow fades away. Resolution of social problems has become the prerogative and an indispensable function of the aviation industry. Starting in 1992 even the vacation vouchers for pilots and air controllers will have to be paid for entirely by the employees.

#### **We Have the Money, But We Do Not Have the Planes**

The Ministry of Civil Aviation has received a government loan allowing it to cover the deficit caused by the lag between the time of the introduction of new carrier rates and wholesale prices for the required resources.

As the cost of the capital funds reproduction increased, capital investments for 1991 grew by 2.7 times compared to 1990. In order to cover these expenses, in March 1991 the Ministry of Civil Aviation managed to obtain certain financial concessions. But due to the delay in those decisions, as well as to the failure of republic and territorial industrial associations to draw a sufficient amount of bank credits, the GUZSANT and the Civil Aviation Ministry financial administration could not come up with timely payments for some of the planes built by the industry. As reported by Deputy Minister V. Gorlov, things have now started moving, but the industry is already demanding fines. **Who is going to pay them?**

The speech by V. Krivosheyev, head of the Aviation Equipment Repair and Maintenance Board, was passionately emotional. He stated that the situation could worsen dramatically literally in a year, if aircraft repair facilities do not improve their material and technology resources now, today. The facilities need spare parts, units, engines, etc. If nothing is done, many employees will leave for other jobs, and who is going to repair the aircraft then?

#### **Everybody Needs Hard Currency**

Our country and Aeroflot need stable dollars, pounds, francs, marks, and kronas like they need air. The international commercial administration, however, can barely cope with this task. A steep increase in international fares will help to amend the situation, but the most important thing is that the passengers choose our planes to fly!

On 13 April I was returning home on an IL-62 from Washington. There were only 80 people in the plane! The Aeroflot representatives told me that Americans do not fly on the 13th of the month due to superstition. But could somebody take this detail into consideration? This is not the only problem, either. Comfort is a commodity that our planes sorely lack. During my two trips to America I had to fly all over the country, in planes of both large and small airlines, so I have grounds for comparison. That is the subject for a different conversation, but I want to emphasize one thing—we are still far from being a really good service. Certain confrontations that are brewing between the international commercial administration and the TsUMVS and between the

TsUMVS and new Soviet airlines do not contribute to any improvement in the quality of the service either.

Lately certain flights to Africa and other places have been canceled as unprofitable, but this obviously was not enough to diminish the waste of hard currency returns. Our common cause is also harmed by the poorly planned practice in which Civil Aviation Administration representatives go to other countries to offer their carrier services while knowing rather little about international aviation commerce. Be that as it may, this year the industry has not yet received any of the expected or, rather, urgently needed hard currency payments.

#### **Test Pilots Comment on Il-96**

*914H0145A Moscow VOZDUSHNYY TRANSPORT  
in Russian No 17, Apr 91 p 7*

[Interview with test pilot Ye. Pankevich and flight engineer A. Skrylev by B. Sidorenko: "A Dream or Reality: The Il-96 Through the Eyes of LIK [Flight Testing Complex] Test Personnel"]

[Text]

#### **Will the Story Be Told Soon?**

This photograph was taken on the ramp of the Yakutsk airport when the temperature was far below 30 below zero. In my view, it was taken at a good angle: it is as if the aircraft is rushing into the future. It is right here that the Il-96 was being tested in Yakutsk's 50-degree cold (as our newspaper has already reported). It was being tested, I emphasize.

But now, once again, there is the desire to sing the praises of this airliner, whose appearance on the airways has been awaited with such impatience. And the words are being sung by those who have been in its cockpit, become familiar with its systems, and seen it in flight. I met with pilot Ye. Pankevich and flight engineer A. Skrylev, the test personnel from the LIK, soon after their return from Yakutsk.

[Pankevich] It is a very good airplane. It has excellent takeoff and landing characteristics. Its rate of climb cannot be compared at all with the Il-86, which barely takes off. The new aircraft has a great deal of thrust; it is 16 tons now, and it will be 18 tons, and it accelerates instantly. The cockpit is comfortable. I like the fact that control is not stiff, but comfortable, with light pressures. It is pleasant for a pilot to fly it. It is as though the pluses of the Tu-154 and the Il-86 have been combined. But many of their minuses have been eliminated.

[Skrylev] But how will it be in taking control of the aircraft's systems? The flight engineer records everything on the display, which identifies and lights up to show the specific source of any failure. We tell the ground to ready a new unit. And by the time we land they can replace it quickly. But in the aircraft currently in use, the engineer has to search and search for the malfunctions...

It is really fantastic. And I should also add that the Il-96 makes much less noise (one of the persons who watched the first takeoff from Khodynka was even startled because noise was heard on the ground but it sounded as if the engines had stopped in the air) and it won't conflict so much with the ecology—it burns fuel much more economically. And finally, it can make a very important contribution in our collapsing economy.

Why is the story being told for such a long time? Why isn't it becoming a reality? Our newspaper has written about this repeatedly. I will mention only the latest items—an interview with V. Potemkin, the general director of the TsUMVS [International Air Services Central Administration], "Joy With a Fair Amount of Anxiety" (VOZDUSHNYY TRANSPORT No. 7), and "Farewell, Trial Flight in Early May" (VOZDUSHNYY TRANSPORT No. 9) on discussion of this problem by the USSR Supreme Soviet's Transport, Communications, and Information Science Commission...

### The Interrupted Expedition

And there was one more working meeting held in the office of V. Gerasimov, chief of the GosNII [State Civil Aviation Scientific Research Institute] Scientific Testing Center, in which specialists taking part in testing the Il-96 briefly discussed the results of the trip to Yakutsk. They called these tests "not a very successful attempt" and "a first step."

"The main conclusion is that the technical condition of the aircraft and its systems did not enable us to carry out the program planned in full," stated V. Isayev, lead engineer of the GosNII for the Il-96. "At the command of the OKB [experimental design bureau], the work in Yakutsk was cut short and the aircraft was returned to its base."

No one in the flight testing complex considers these tests completely useless, of course. In the words of Ye. Pankevich, the auxiliary power plant, the hydraulic systems, which had received a great deal of criticism previously, and the landing gear functioned well in the Siberian cold.

And although Yevgeniy Yevgenyevich was convinced that the expedition was successful in the final analysis, since "a great deal of material was acquired to effectively eliminate numerous shortcomings," his view was not fully shared by everyone. After all, the haste also led to the point that two other aircraft left at the base were "frozen stiff," as one of those at the working meeting stated. They removed equipment from them for the Yakutsk Il-96.

### We Should Wait for the Second Half

And here I recalled the words I heard recently over the telephone from one of the professors at the Flight Testing Institute in Zhukovskiy: "The Il-96 is only half an airplane at present." I did not want to believe what

was said then, but conversations with the LIK test personnel now compel me to accept this as almost the truth.

As we know, there are three main components that are closely interconnected—the engines, the airframe, and the equipment. The airframe itself, as a mechanical system, proved to be quite reliable, in the pilots' view. Many of the assemblies had been tested on the Il-86. And the ones making their appearance lately have been quite good. Improvement of the engine systems under actual conditions is proceeding well.

"The test engine is operating even better than planned," A. Skrylev said. "Usually the development lasts for 10 to 15 years, but this one was only 6 and a half years."

But when the discussion turned to what is inside the airplane, the optimism of the persons I spoke with vanished right away.

"When they were developing the technical specifications, they were relying on a major leap forward for our lagging electronics, but this is not happening, you know," Ye. Pankevich said bitterly. "We are reaping the fruits of voluntarism when the [TZ] specifications were established."

And of course, things are going far from smoothly for Aeroflot in preparations to receive the Il-96—with the technical support at airports, the establishment of repair services, and with those same crews who will be in the cockpits of the first aircraft. Even at Domodedovo, which is considered to be the principal airport preparing for the Il-96, crews are not preparing well at all for these flights, it was noted at one of the recent meetings of the safety council.

There are subjective as well as objective reasons for that. The same lack of piloted and functional simulators, for example. But the uncertainty about when the new aircraft will be put into service is probably dampening the enthusiasm of those taking part in this most of all. The current stage of testing at the LIK is being called preliminary, or as Ye. Pankevich said more precisely, the "early stage of plant testing." And God knows how much more time there is to wait for the state tests.

### Between the Devil and the Deep Blue Sea

The test personnel are between the devil and the deep blue sea at present. On the one hand, each one is well aware how much the new aircraft is needed today and how it was expected to be on the air routes yesterday and the day before yesterday. But what is to be done if the aircraft is "half-done?"

Meanwhile, the Ministry of the Aviation Industry is putting on the pressure. "The element of haste is clearly present," V. Gerasimov, the chief of the NITs [Scientific Testing Center], said.

This haste is particularly apparent in the rush to begin operational testing ahead of time. Yes, the operational

tests themselves. One of the aircraft which came to the TsUMVS is already being readied for such flights in a form that is "far from the technical specifications," as V. Potemkin, the general director of the TsUMVS, reported in VOZDUSHNYY TRANSPORT. And although LIK test personnel, not regular crews, are still working in the cockpit, the problem is the same. It's the old designer story again—carry the passengers, identify the defects, and we will work them out later. But why should the customer identify the defects at such an early stage of plant testing?

V. Gerasimov expressed the crux of the problem graphically, and it cannot be stated better: "The spring of the flight testing which they are now trying to squeeze together can be released, you know." And I may add that it can threaten all of the vast program to introduce fourth-generation aircraft.

## RAIL SYSTEMS

### First-Quarter Rail Performance Statistics Issued

914H0150A Moscow GUDOk in Russian 25 Apr 91  
pp 1-2

[Unattributed article: "Under the Conditions of the Crisis According to Ministry of Railways Statistics Administration Data"]

[Text] The branch's work results have been summed up for the first quarter. The difficulties and joys of the months, which are most complicated based on weather conditions, lie behind the dry figures of the statistical data. The plan for the total dispatch of national economic freight, passenger turnover and shipping costs was overfulfilled thanks to selfless work by the majority of railroad collectives.

**Freight shipments.** The network has transported 892 million tons of products since the beginning of the year. More than nine million tons were dispatched in addition to the plan—more than 90 percent of them in March.

The introduction of contract tariffs for hauling local freight has noticeably improved this work: the network loaded 10.7 million tons of this above the plan.

The unstable situation in the country could not fail to affect the operation of rail transport. The overall slump in the production of industrial and food products led to a drop in shipment rates.

The state order for the delivery of bituminous coal, petroleum, petroleum products, iron and manganese ores, chemical and mineral fertilizers, cement, and wood freight was not fulfilled. The largest shortfall in the state order—17.7 million tons—was in bituminous coal. This resulted from the miners' strikes in the Kuzbass, Vorkuta and the Donbass.

A total of 23 railroads coped with the quarterly shipment plan. The Krasnoyarsk (1.5 million tons), Belorussian

(1.4 million tons), Southeastern (1.2 million tons), Baltic and Moscow (1.1 million tons each) made the greatest contribution to the total results. The Transcaucasian, Alma-Ata, Sverdlovsk, South Urals, East Siberian, Northern, Tselina, and Kemerovo lagged behind.

A total of 17 railroads fulfilled the state order but only the Southwestern was able to insure a 100-percent fulfillment of the product list plan. This indicator was considerably below the average network indicator on the Sverdlovsk (60 percent), Donetsk (30 percent), Northern and Moldavian (33.3 percent), Kuybyshev (37.5 percent), and Transcaucasian and South Urals (40 percent). The Southern (90 percent), Alma-Ata (88.9 percent), Baltic (87.5 percent), and Belorussian (85.7 percent) operated more stably.

**Average static load.** Freight cars are being used more efficiently this year. The average static load reached 55.33 tons per car. This is 650 kilograms more than last year and exceeds the target by 730 kilograms. As a result, approximately an additional 12 million tons of freight were transported in those same cars.

All railroads fulfilled the quarterly static load plan; however, it dropped on the Moldavian, Donetsk, Baykal-Amur and Dnepr in comparison with last year.

**Routing** was reduced by 1.7 percent in comparison with the first quarter of 1990, especially for petroleum freight (4.6 percent), cement (7.8 percent), motor vehicles (5.2 percent), trans-shipment from water transport (4.7 percent), and imported goods (4.6 percent).

**Containers.** The railroads completely satisfied requests for all types of containers during the first quarter: 11.2 million tons of freight were dispatched in them, including 4.5 million tons in large-capacity ones. This exceeded the plan, which had been adopted, by 3.6 percent.

A total of 25 railroads fulfilled the plan for loading containers. The Transcaucasian, Baltic, Azerbaijan, Alma-Ata, and Moldavian permitted a significant shortfall.

**Unloading.** In accordance with the plan, 180,600 railcars were unloaded daily on the network; however, this was 17,000 fewer when compared with the first quarter of last year. A total of 14 railroads coped with the plan.

A total of 6,600 fewer railcars were unloaded on days-off and holidays than on work days.

The Moscow, October, Odessa, Far Eastern, and North Caucasus railroads unloaded freight cars in an untimely fashion. A total of 2,446 cars were not unloaded through the fault of union republic state agroindustrial committee enterprises and organizations; 1,876—through the fault of the USSR Ministry of Maritime Fleet; 1,558—through the fault of the USSR Ministry of Metallurgy; and 1,128—through the fault of the Agrokhim Association.

**Freight turnover** in an amount of 844 billion tariff ton-kilometers was coped with by the branch during the first quarter. This is 8.7 percent lower than last year's level and 3.3 percent lower than the calculated goal.

Only the October, Southern, North Caucasus, and South Urals railroads were able to fulfill the plan during January and February. The decrease in freight turnover occurred due to a reduction in the amount and distance of shipments.

**Passenger traffic.** More than 900 million passengers used the services of the railroad. This is 30 million fewer than last year. Passenger trips on the Baltic, Southern, Belorussian, East Siberian, and Moldavian were especially reduced. However, they increased on the railroads of Siberia and the Far East (except the East Siberian) and the Azerbaijani, Gorkiy and South Western railroads.

The passenger traffic plan was fulfilled by 101.1 percent. This is 2.6 percent less in comparison with the same period of last year. A total of 13 railroads did not cope with the target for this indicator during January-February. However, the Moscow, October, North Caucasus, and South Urals significantly overfulfilled the quota.

The passenger train schedule was fulfilled by 96 percent for departures, 94 percent for travel, and 87.1 percent for arrivals.

The Moscow, Southwestern, Southern, and North Caucasus railroads, on which almost a third of the network's passenger trains travel, improved the schedule movement. The West Kazakhstan, (97.8 percent), Krasnoyarsk (97.3 percent) and the Baykal-Amur (97.4 percent) observed the schedule the most accurately at a time when only half of the trains traveled according to the schedule on the Azerbaijan Railroad.

**Railcar turnover.** A reduction in railcar turnover and the level of freight operations affected the use of rolling stock. Railcar turnover became slower by 3.12 hours on the network. Besides the Baltic, Azerbaijan, West Siberian, and Baykal-Amur, there were over-detentions during freight operations on all railroads.

Only a third of the railroads were able to increase their productivity due to the average daily decrease and the increase in the percentage of empty railcar runs.

The **weight of a freight train** was lower than planned by 34 tons, was 16 tons less than during the same period of last year and was 3,053 tons.

The Belorussian, Moscow, Southeastern, West Kazakhstan, and South Urals railroads overfulfilled the quota. The average weight of a train increased on the Baykal-Amur, North Caucasus and Southwestern.

The average schedule speed of freight trains on the network was 33.9 kilometers per hour. It increased on 23 railroads, especially on the Lvov, Transbaykal, Kuybyshev, Baltic, North Caucasus, and West Kazakhstan.

A reduction in the train traffic volume permitted the observance of the schedule to be improved and its fulfillment to be brought to 77.2 percent. The Moldavian Railroad implemented the schedule by 92.5 percent and the Dnepr—by 91.7 percent. However, the precision of movement was reduced on ten railroads in comparison with last year.

**Fuel and energy resource expenditures.** During the first two months, the expenditure of electrical energy for propelling trains was reduced by 375 million kilowatt-hours. During this, the specific expenditure grew by three percent and was 138 kilowatt-hours. This basically occurred because of the reduction in work volume.

The use of recuperative braking permitted the return of 20.6 million kilowatt-hours of electrical energy to the catenary system.

There was a similar situation with diesel locomotives also.

**Rail transport enterprises.** The situation in transport industrial enterprises continues to worsen. One-fourth of them were not able to satisfy their delivery obligations. The prices for products from the branch's industry, which were in effect during the first quarter, were 1.8-fold higher than last year's and the trend toward their increase remained.

In comparison with last year's first quarter, production volume decreased for practically all types of products. All plants reduced the production of switches and containers.

The release of rolling stock from overhauls is lessening. Only the Popasnyanskiy, Roslavl'skiy, Vologodskiy, and Yaroslavskiy plants were able to maintain last year's level for repairing freight cars. In comparison with last year, the output of passenger cars decreased by eight percent. Only the Ulan-Udenskii Locomotive Repair Plant continued to renovate electric locomotives at last year's level. The decrease in the electric sections' repair program basically occurred through the fault of the Moscow LRZ [Locomotive Repair Plant] which reduced its output by a third.

**Consumer goods production and services for the population requiring payment.** Goods worth 64.7 million rubles were manufactured during the first quarter. This is one-fourth more than during the same timeframe of last year.

Services for the population requiring payment increased on all railroads except the Transcaucasian. Almost 160 million rubles of them were rendered.

**Subway operations.** Subways fulfilled the passenger traffic plan by 102.5 percent during the first quarter. However, the traffic volume was 1.3 percent less in comparison with the same period of last year. This is a consequence of the increase in the cost of a trip, especially on the Leningrad and Novosibirsk subways.

**Industrial deliveries.** A total of 773 million rubles were spent on acquiring new rolling stock and containers. Even with a decrease in the delivery of electric locomotives and freight and passenger cars, expenditures for their acquisition grew during the first quarter by 143 million rubles in comparison with last year.

Rail transport has been experiencing a shortage of freight cars for a long time and the situation is worsening. The delivery level was cut by a fourth in comparison with last year. The receipt of mineral carriers, tank cars and railcars with five refrigerated sections was cut in half. The low rates for renovating multipurpose freight cars will limit the capabilities of the railroads to transport coal, lumber and other cargo in the very near future.

The **labor productivity of workers** employed in shipping was below the planned one by 0.9 percent during the first quarter and it was 9.4 percent lower than the corresponding period of last year.

Ten railroads coped with the labor productivity target during January-February; however, it increased on only three—the Baykal-Amur, Azerbaijan and North Caucasus—when compared with last year.

The greatest shortfall in this very important indicator occurred on the Central Asian, Lvov, Baltic, and Kemerovo railroads.

The **average monthly salary** of the operating staff workers has grown by 13 rubles, or by 3.8 percent since the beginning of the year and reached 344 rubles.

In this regard, one must keep in mind that the number of trips with violations and extensions of the locomotive crews' work conditions based on NOD orders was reduced by 8,000 in comparison with the corresponding period of last year. A total of 18 railroads reduced them. On the others, especially the Sverdlovsk, Kemerovo and Tselina, where the traffic schedule was carried out at a low level, the number of trips with violations increased.

### **Railroad Transport Law, Enactment Resolution Reported**

914H0149A Moscow *RABOCHAYA TRIBUNA*  
in Russian 30 Apr 91 First Edition pp 1, 3

[Law of the Union of Soviet Socialist Republics on Railroad Transport, signed by M. Gorbachev, President of the Union of Soviet Socialist Republics, 15 April 1991 in Moscow, and Resolution of the USSR Supreme Soviet, signed by A. Lukyanov, chairman of the USSR Supreme Soviet, 15 April 1991 in Moscow]

[Text] This Law determines the economic, legal and organizational bases of the activity of railroad transport for general use (henceforth called—railroad transport) and its place and role in the national economy of the country and regulates its interrelations with the organs of State authority and management, passengers and freight consignors and consignees.

### **Article 1. Railroad transport and the system of the national economy of the country**

Railroad transport constitutes the basis of the transport system of the country and is called upon to ensure prompt, complete and high-quality satisfaction of the needs of the population and the national economy for transport and services in internal and international railroad service.

Railroad transport is all-union property.

The importance of railroad transport for the national economy of the country predetermines the need for its outstripping development, centralized satisfaction of its basic needs for rolling stock, material-technical and fuel-energy resources and goods for the work supply system.

### **Article 2. The management of railroad transport and its composition**

Administration of the transport process and direction of the activity of the enterprises, organizations and institutions of railroad transport are centrally implemented and are under the exclusive jurisdiction of the USSR Ministry of Railways.

Railroad transport includes State union enterprises—the railroads—in its composition, as well as industrial, construction trade and supply enterprises, higher and secondary specialized educational institutions, scientific-research and planning and design organizations, ensuring its activity and development.

The railroads are made up of railroad divisions and other enterprises and organizations engaged in the basic and auxiliary activities of railroad transport.

The creation, reorganization and liquidation of the railroads, and change in their boundaries are carried out according to the procedure established by the government of the USSR, in accordance with USSR legislation in force.

Small, leasing, joint, cooperative and stock-holding enterprises, concerns and associations, and also commercial banks, insurance companies and commodity/stock exchanges may be created to render services to passengers and freight consignors and consignees, and to implement other types of activity in railroad transport.

### **Article 3. Legislation and normative acts regulating the activity of railroad transport**

The relations involved in the activity of railroad transport are regulated by this Law, other legislative acts of the USSR and the Regulations for USSR Railroads issued in accordance with them.

Normative acts establishing the conditions for transport, using means of railroad transport, traffic safety, preservation of order, intersection of railroad tracks with other types of transport, fire safety and sanitation rules are in

force on all railroads and subways and are compulsory for enterprises, organizations, institutions and citizens using the services of railroad transport. The procedure for drawing up and approving these acts is established by the USSR government.

Special features of the application of the USSR Law "On Enterprises in the USSR" to railroad transport enterprises are established by this Law and are issued on their basis by acts of the USSR government.

#### Article 4. The Property of Railroad Transport

The property assigned for railroad transport enterprises belongs to them by right of full economic authority. In implementing this right, railroad transport enterprises are in possession of, use and have at their disposal this property, and at their discretion perform, in relation to it, any actions that do not run counter to USSR legislation. The rule on the right of property is applied to the right to full economic authority, unless otherwise specified by legislative acts of the USSR.

Property assigned to railroad transport institutions (organizations), which are part of the State budget, are under their operative management.

#### Article 5. The land of railroad transport

The lands of railroad transport are lands granted for its use in accordance with the Fundamentals of the Legislation of the USSR and the Union Republics on Land. They include land allocated for railroad tracks and stations (including the right-of-way), as well as for protective and reinforcing planted areas, structures, buildings, facilities and other objects necessary for operating and rebuilding railroads.

Railroad transport land should be maintained in the proper sanitary condition.

The right-of-way is the railway transport land adjacent to the railroad tracks.

The size of the land sections, including the right-of-way, granted for railroad transport is determined in accordance with the norms and project estimate documentation approved by the established procedure, and the allotment of the sections is carried out on the basis of the priority for their development.

#### Article 6. Railroad transport protective zones

Protective zones may be established in order to ensure normal operation of railroad tracks, structures and other railroad transport objects located in areas subject to land slides, avalanches, washouts, mud flows and other dangerous action.

The procedure for establishing protective zones, their size and the conditions for use of the land allotted for these purposes is determined by the USSR government.

#### Article 7. Tariffs for railroad transport

The tariffs for the transport of freight, passengers, mail and baggage by railroad transport are established in accordance with USSR Legislation.

The level of tariffs for railroad transport is determined on the basis of economically substantiated expenditures for transport, payment of taxes and other charges, and changes in the prices for products required by railroad transport.

Work and services performed at the request of freight owners and not specified by tariffs are paid for by them on a contractual basis.

#### Article 8. Fundamentals of the economic activity of railroad transport

Railroad transport enterprises carry out their activity on the principles of economic accounting.

Freight is transported on the basis of plans drawn up and approved by the railroads on the basis of State orders, applications from consignors and the transport potentials of the railroads.

Railroad revenues from transport are formalized on the basis of their specific contribution to the transport process.

Economic interrelations, related to the transport process, between the railroads and other railroad transport enterprises, can be established on a contractual basis and regulated by the USSR Ministry of Railways.

The financing of scientific research work and experimental design developments and the construction and rebuilding of main lines (this covers objects of the social sphere, including buildings to serve disabled workers), related to solving all-union national economic problems, construction and renovation of industrial enterprises of railroad transport, acquiring rolling stock and containers, subsidies for planned-loss railroads and construction and maintenance of public health and educational institutions, is carried out through funds of the Union budget and the republics, enterprises and organizations involved.

The USSR Ministry of Railways may set up centralized funds and reserves to solve general sectorial problems, by agreement with the railroads.

#### Article 9. Railroad traffic safety

Railroad transport must ensure the safety of life and the health of citizens, train traffic safety and environmental protection.

Rolling stock, track structures and other technical devices granted to railroad transport should meet the requirements of safety, labor safety practices and ecological purity established by State standards and have a certificate attesting to this.



Workers directly ensuring the safety of train traffic should have the appropriate vocational training and the state of health necessary for high-quality performance of their official duties.

The territories of stations, enterprises and railroad lines on which train traffic is carried out and shunting and loading-unloading operations are performed are zones of heightened danger. Citizens are forbidden to remain in these zones unless their work requires it. The rules for being in a zone of heightened danger and working in it, and for passing and crossing the railroad tracks are established by the USSR Ministry of Railways on the basis of the proposals of the organizations involved.

It is impermissible to place objects connected with the production, storage, loading, transporting and unloading of explosive, highly inflammable, radioactive, toxic and poisonous materials close to railroad tracks for general use and structures. The minimum distances from these objects to railroad tracks and structures, as well from the intersection of railroad tracks with pipelines, communications lines, electric power transmission lines and other connections are determined by the appropriate construction norms and regulations, approved by the USSR Ministry of Railways.

Enterprises, organizations and institutions shipping and receiving explosive, highly inflammable, radioactive, toxic and other hazardous materials must guarantee the safety of their transport and have the means and mobile divisions necessary to clean up emergency situations and the consequences of accidents, if they arise during transport of these materials.

Guarding and accompanying hazardous materials on the list approved by the USSR government is ensured by the consignors or consignees of the materials on all routes.

#### **Article 10. Safeguarding freight and objects during railroad transport**

Railroad transport enterprises ensure the safeguarding of freight and baggage en route and at railroad stations.

Safeguarding freight and objects of railroad transport, as well as carrying out fire-prevention maintenance work and putting out fires on railroad transport, are carried out by an armed security guard of the USSR Ministry of Railways. The workers of the armed security guard, when executing their service duties, have legal immunity on a level with the police.

The most important objects of railroad transport and special freight are safeguarded by subunits [podrazdeleniye] of the internal troops of the USSR Ministry of Internal Affairs. Lists of these objects and freight are established by the USSR government.

Safeguarding public order, combating crime and fire supervision in railroad transport are ensured by the organs of internal affairs for transport and by territorial subunits of the police, interacting with railroad transport enterprises and organizations.

#### **Article 11. Organizing railroad transport operations in emergency situations**

Railroad transport enterprises, organizations and institutions take immediate measures to eliminate the consequences of natural phenomena and accidents that have caused a disruption in railroad transport operations.

Republic and local organs of administration, organs of internal affairs in transport and territorial police subunits, the internal troops of the USSR Ministry of Internal Affairs and subunits of the USSR Armed Forces render aid to railroad transport in clearing up the consequences of accidents, natural phenomena (snowdrifts, flooding, fires, etc.) which threaten the life or health of people, traffic safety and safeguarding of freight.

Transport enterprises, institutions and organizations are compensated by the guilty parties for loss caused to railroad transport as the result of deliberate blocking of transport communications and other illegal acts infringing upon the unimpeded and safe work of transport, in accordance with the procedure established by law, and also by local organs of State authority in cases when they failed to take the measures necessary to prevent and cease the deliberate blocking of the transport communications.

#### **Article 12. Labor relations and discipline of railroad transport workers**

Labor relations and discipline of railroad transport workers are regulated by the Fundamentals of Legislation of the USSR and the Republics on Labor, by other legislative acts and by the statute on discipline of USSR railroad transport workers, agreed upon with the appropriate trade union and approved by the USSR government.

The features of the conditions for work, social-everyday and housing provision and the work time and rest time conditions for individual categories of railroad transport workers directly involved in train traffic are established by the USSR Ministry of Railways, in accordance with USSR legislation in force, by agreement with the appropriate trade union.

Workers of railroad transport enterprises, organizations and institutions who have been transferred to other work in this sector or have transferred to other sectors of the national economy as the result of industrial injury or occupational disease, retain the right to free passage on railroad transport, benefits from pension security and other benefits established by legislation for railroad transport workers.

Railroad transport workers have the right to appeal to a court for defense of their violated labor rights.

When collective labor disputes (conflicts) arise, the USSR Ministry of Railways, in conjunction with the appropriate trade union, on the basis of the USSR Law "On the Procedure for Settling Collective Labor Disputes (Conflicts)", must take the necessary measures to

settle them before the labor collectives appeal to the President of the USSR or the Prime Minister of the USSR for defense of their lawful rights and interests.

**Article 13. The language of the official business correspondence and communication in railroad transport**

Official business correspondence, accounting, reporting, commercial and technical documentation, telegraph communication, legal and scientific-technical information, and also official communication at railroad transport enterprises, organizations and institutions related to ensuring train traffic and the transport of passengers and freight are conducted in the Russian language.

Information and advertisements at railroad stations, terminals, on trains and at other places serving passengers, freight consignors and consignees, as well as the names of railroad transport enterprises, organizations and institutions, are given in the State language of the republic and in the Russian language.

**Article 14. Accounting-reporting time in railroad transport**

In order to ensure continuous centralized management of the transport process at railroad transport enterprises and organizations participating directly in transport, regardless of their location, a common accounting-reporting time—Moscow time—is established.

**Article 15. Interrelations between railroad transport with Union, republic and local organs of authority and management**

Republic and local organs of authority, ministries, State committees and departments, public and other organizations do not have the right to interfere in the activity of railroad transport related to the transport process, nor to divert railroad transport operations personnel to other work, except in cases specified by USSR legislation.

Railroad transport enterprises and organizations pay taxes and other payments to the Union budget and to the budgets of the republics, autonomous formations and local Soviets in accordance with the legislation of the USSR and the republics.

Construction of local railroad lines, terminals, pedestrian bridges and tunnels, passenger platforms and other objects for the service of the people of a region is carried out through republic and local budgets and the funds of the railroads, and also through voluntary contributions of involved enterprises and organizations according to the procedure established by the legislation of the USSR and the republics.

The construction of subways and compensation of the shortage of funds for their maintenance are financed through the budgets of the corresponding republics and cities.

Railroad transport is compensated through the appropriate budgets for the reduction in the revenues of

railroads entailed in granting individual categories of citizens, on the basis of USSR legislation, cut-rate fares for travel on passenger trains, including suburban service.

Subways, institutions of public education, public health, culture and other organizations included as part of railroad transport may be transferred to the property of the republics, krays, oblasts, autonomous okrugs and other administrative-territorial formations in accordance with the procedure established by USSR legislation.

**Article 16. The foreign economic activity of railroad transport**

The USSR Ministry of Railways, when organizing the transport of passengers and freight in international railroad and combined service, appears before foreign railroads as a legal entity called the "Soviet Railroads", and carries out foreign economic activity in transport on the basis of international agreements and contracts.

The USSR Ministry of Railways sets up a centralized currency fund, formed on the basis of the established norms, from the sums of the currency receipts for rendering transport and transport-excursion services.

Railroad transport enterprises, organizations and institutions may develop foreign economic cooperation with the organizations of foreign states and, in accordance with the established procedure, carry out the export (import) of goods (work, services), and form a currency withholding fund.

Enterprises and organizations supplying products for export may deduct part of the currency funds for railroad transport enterprises. The amounts of these deductions are determined on a contractual basis.

**Article 17. The responsibility of railroad transport**

Railroad transport enterprises do not have the right to refuse a passenger or a freight consignor transport, except in cases specified by the Regulations of USSR Railroads.

Railroad transport enterprises and organizations, the activity of which entails heightened danger, bear the material responsibility for injury resulting in death or damage to the health of a passenger during use of the railroad, according to the procedure established by USSR legislation.

The responsibility of railroad transport enterprises for failure to perform or improper performance of duties to transport freight and baggage, as well as responsibility to a passenger for the lateness of a train, are determined by the Regulations of USSR Railroads. Railroad transport enterprises are responsible for loss, shortage and damage of freight and baggage accepted for transport in the amount of the actual loss, if these enterprises fail to prove that the shortage, spoilage or damage was not their fault.

Railroad transport, in accordance with USSR legislation, bears the responsibility for damage caused by the environment.

**Article 18. Insurance of passengers, baggage and freight in railroad transport**

Passengers using railroad transport are subject to compulsory State insurance in accordance with the procedure determined by USSR legislation.

In railroad transport, along with the compulsory State insurance, there may be voluntary insurance of passengers, baggage and freight.

**Article 19. Interaction with the owners of industrial railroad transport**

The relations between railroad transport and enterprises, institutions and organizations owning industrial railroad transport, as well as the procedure for and conditions of operating access tracks and the operation of rolling stock belonging to them on tracks for general use are determined by the Regulations of USSR Railroads.

Enterprises, institutions and organizations owning industrial railroad transport develop and maintain it on a level ensuring the safety of operations, efficient use of rolling stock, safeguarding of the railcar fleet and fulfillment of the norms for railcar idle time established by contracts.

*[signed] M. Gorbachev, President, USSR, Moscow, 15 April 1991*

**Resolution of the USSR Supreme Soviet on Putting into Force the USSR Law "On Railroad Transport"**

The USSR Supreme Soviet resolves:

1. To put into force the USSR Law "On Railroad Transport", from 1 July 1991, and Article 8 of the Law—from 1 January 1992.
2. To establish that the Regulations of USSR Railroads are approved by the President of the USSR.
3. To commission the USSR Cabinet of Ministers, before 1 October 1991: to put into effect the resolution of the USSR government in accordance with the USSR Law "On Railroad Transport";

To ensure revision and repeal by the ministries, State committees and departments of the USSR of their normative acts, including directives and rules running counter to the given law.

4. To recommend to the supreme soviets of the republics that they put into force the legislation of the republics in accordance with the USSR Law "On Railroad Transport".

*[Signed] A. Lukyanov, Chairman, USSR Supreme Soviet, Moscow, 15 April 1991*

**Chernobyl Aftermath Effects on Local Railworkers Cited**

*914H0153A Moscow GUDOK in Russian 26 Apr 91 p 2*

[Article by GUDOK correspondent L. Dulinets: "The Alliance Did Not Take Hold—Scientists Are Not Helping Railworkers Working in the Chernobyl Area"]

[Text] Gomel—Major repairs on the Zakopytye-Zlynka sector, where the radiation contamination level is more than 15 Curie units per square kilometer, were entrusted to the Gomel PMS-116 [track machinery station]. After repairs, it was noted in all accounts that the level of radiation of the track dropped by several times. But after a certain time, doctors examined the mechanics and discovered that the crew of the BMS [expansion not further identified] that carried out the cleaning of the crushed stone ballast received a rather large radiation dosage.

With each year, there are fewer and fewer people on the Gomel and Mogilev divisions in the zone which is now commonly referred to as the "Chernobyl" zone. It is necessary to organize work by the tour of duty method. But the situation is most difficult with track layers. There is practically no one to perform operations on current maintenance. In order to at least somehow reduce its volume, the Belorussian Railroad counted on ahead of schedule major and medium repairs. Especially since this is not only an improvement of the track, but simultaneously its decontamination. In general, the burden borne by the collectives of railroad divisions were partly taken over by the track machinery stations.

The railroad workers do not have to explain what occurs on the rail leg when the "window" begins. Among the professional terms, there is one very specific word—progrokhotka. That is, cleaning the crushed stone ballast. But there is dust that covers everything around like a mist. How many dust particles are in the air during these minutes, and how many does a person inhale who is at the work site? Perhaps, somewhere there are instruments capable of performing such a calculation or a method for this kind of investigation. But S. Shestyuk, the supervisor of the work hygiene section of the railroad sanitary epidemiologic station, admitted frankly that research of this kind was not conducted on the Belorussian Railroad. It is possible that previously there really was no special need for this. Even the village road throws up dust there. But simple dust is one thing, the smallest particles of the native soil, and it is an entirely different matter when there is fallout from Chernobyl among the specks of dust. Tractors with hermetically sealed cabins have already been created for village mechanics who are compelled to work on fields contaminated with radionuclides. But similar investigations have not even been started in our industry. At least, practical workers have never heard about them. May I be forgiven for the comparison that comes to mind unexpectedly, but all of

the work in cleaning the crushed stone ballast is accomplished here according to the principle of beating carpets—all of the dust flies into the air, but, afterwards, naturally, it settles on the ground in drainage areas, on people's faces and clothing, and it gets into the nose, throat, and lungs.

G. Palyushik, deputy chief of the track service, and I analyzed the track equipment that works in the Chernobyl zone and, other than the relatively new ShchOM-4M [crushed stone cleaning machine], which cleans the crushed stone during medium repairs, we did not find one machine with a cabin for the engineer. And, here it is not a cabin, but a "gas chamber," it is not provided with an air conditioner, and, naturally, the engineer prefers to work with the door wide open.

But even super hermetic cabins do not resolve the problem of protecting people who are performing track repairs in the radioactive contamination zone. Railroad workers of other specialties work alongside the engineer of a heavy track machine who are forced to breathe the same dust. There is a need here for fundamentally new equipment, and, perhaps, repair technology as well. And since there are no analogues to the Chernobyl misfortune, there is nothing with which to compare these machines. Only one thing is clear, the shaking of the crushed stone should be conducted in a covered bunker, the dust must be continuously drawn off, and afterwards its burial must be conducted with special precautions.

As for the technology, then, of course, as much as possible, it must be "without people," either through full automation, or with the help of remote control.

This can still be discussed with scientists. And even the managers of railroads or services, if they are not too busy, will find a little time to give free range to their imaginations, but do not dare to undertake a conversation on this subject with the practical workers. For example, with the chief of PMS-116 P. Zgera. He will laugh with scorn.

What remote control and what kind of bunkers, when people working under dangerous and difficult conditions are unable even to get a daily train which would deliver them to their place of work, and in which they would be able to take a shower change into clean clothes after work.

After all, we were unable to explain how much and what kind of dust the railway worker inhaled at the time of the "window" in the zone. Perhaps, his wife also will be calmer if she does not know what he brought home on his dusty overalls.

Five years have passed since Chernobyl. All of this time, our branch science was not quite straining to get into the Chernobyl zone. And this is true also—series production of machines for work in the zone is not promised, and it is possible that they will never be put on a conveyor in even one plant. Scientists of the Institute of Hygiene would be happy to develop special clothing for those who

work here, but where do you get the fabric for it? Calculations could also be made on how much of an increase there is in the dosage received during work in a dusty atmosphere, but after this will any one of the workers put on a respirator or even a light "tag" that professional nuclear scientists use?

Questions can be asked ad infinitum, but afterwards cover them, citing objective conditions, because not only our branch, but all of our country's science is in great debt to the people who have become hostages of the Chernobyl zone. After all, it was the shortcomings of our scientists that made such an accident possible. After all, it was the official optimism that was to blame for the loss of valuable years. But rather than enumerate the old offenses, let us talk at least about what has been done.

The Belorussian Railroad can cite only one study as an example—the Nevskiy geological production association, on an order of the railroad, completed a spectrometric inspection of the contaminated sectors. With time, a map will appear in each neighborhood and in each brigade, and the people at least will know where it will be possible to take a smoke break and where it is better not to delay for too long.

Perhaps the alliance with science is also inhibited by the fact that it costs a tidy sum. But, which of the roads, for example, should pay for a contract for the development of track machines, if this equally concerns the Moscow, Southwest, Lvov, and Belorussian railroads. Of course, the main administration of railways should be the customer. But among the global tasks that are decided at the ministerial level, the alarming results of dosimetric monitoring of the workers of some PMS still, apparently seems trifling. But, they are wrong!

It is also worth talking about the unsuccessful experience of the employees with branch science. In the railroad program to eliminate the aftereffects of the Chernobyl accident, which was developed by the Belorussian Railroad, provision was made for the construction of six points for cleaning the rolling stock of radioactive contamination and the burial of the discharge and wastes after this cleaning.

A year has already passed. Now it is no secret to anyone that the filters in locomotive diesels collect radioactive dust and that, without special cleaning and improvement of the track machines that operate in the zone, it is unsafe for repairmen. The radiator of the VPO [not further identified] machine, which belongs to the Gomel PMS-116, had to be taken on the sly to the "restricted" zone and discarded, after the Pinsk track machine plant categorically refused to perform repairs!

And although everyone knows about this situation, still the construction of cleaning points has not been started. Partly because no one knows what to build. After all, what is most important has not been proposed—cleaning technology. Moreover, those are in great error who think that all of these things are problems of the Belorussian and other railroads that were affected by the Chernobyl

accident. The machines that work in the zone are being repaired in Kaluga, near Leningrad, and at other plants of the Ministry of Railways. And, in contrast to the Pinsk repairmen, it is hardly likely that there they thought about conducting a dosimetric check. So that there is no need to be surprised when contamination nidi appear far from the Chernobyl zone. This is retribution for complacency.

In order to be objective to the end, it must be acknowledged that science did make proposals, but the economic managers refused out of stinginess. The Japanese, for example, recommended the establishment of special gates which would control the level of contamination of trains passing through. It can be imagined how much easier a track worker, train marshaller, and conductor would breathe if such control was established. But there are still no such gates.

The Belorussian republic hygiene institute also agreed to regularly take readings of individual dosimeters of people who work in the zone. This did not require hard currency, but it amounted to quite a bit even in our money.

And we have returned in the final analysis to the point where we started: Five years after the Chernobyl accident, a railway man working in the zone has no defense other than to announce his resignation. Incidentally, the staff of the Gomel PMS-116 is only half-manned with track workers. But it also turns out that concern about the qualitative maintenance of tracks and reducing their contamination is more important than worries about the health of engineers and BMS machine assistants. Incidentally, almost the very same dose as theirs was received by Petr Ilyich Zgera, PMS chief. Having no opportunity to help his workers in any way, out of solidarity, he tried to be on the most dangerous sectors.

### **Railway Science Council Plans Operations Improvement Measures**

914H0151A Moscow GUDOK in Russian 4 Apr 91 p 2]

[Article by N. Davydov: "Progress Demands Sacrifices"]

[Text] Our country is living through a difficult time and things also are not going smoothly for railroad workers. The mainlines' carrying capacity reserves have practically been exhausted and work quality indicators have slipped to an unprecedented low level. Worst of all is the fact that there are almost no hopes for sizable budget appropriations since many branches are now in a similar situation. Progress toward a market, which has been declared at very different levels, is not being experienced: we are still marking time. In return, industrial production is falling and strikes are again shaking the country.

The extraordinary conditions, under which railroad personnel will work during 1991-1995, require the adoption of extraordinary solutions. That is why the branch's headquarters submitted for discussion at a session of the

scientific technical council's presidium the very fundamental question: What should the main scientific and technical policy avenues be?

The paradox is that they are planning to invest sizable assets in specific transport technical re-equipping and modernization programs without any prospects for receiving sufficient profits from shipments and necessary subsidies from the state. They would not like to cite the experience of foreign railroad companies or associations; however, even state railroads everywhere plan their technical policy, basing it on specific allocations. Otherwise, even the most magnificent project can remain only a project.

Nevertheless, it is not difficult to understand branch directors and transport scientists. If one does not engage in incorporating intensive technologies, especially if one does not struggle to increase the weight of a train, then even the extremely modest carrying capacity reserves will run dry on the network's main avenues with the very complicated situation in industry and agriculture. What then? Motor and river transport will not be sufficiently developed and will not be able to take on a substantial share of the freight. Is it possible that a transport crisis awaits us?

The reports and speeches during the scientific technical council's presidium session repeatedly mentioned the Program for the Technical Re-equipping and Modernization of Railroads During 1991-2000, which the USSR Council of Ministers adopted in October of last year. We have already acquainted the readers with its content and it is doubtful whether it would be worthwhile to return to it unless... unless further coordination with the departments taking part in its realization and the calculation of industry's capabilities, the construction organizations' potential and the budget deficit would lead, as the main report said, to a considerable reduction in the volume of work and deliveries.

There is nothing surprising in this for me personally. I can remember several widely advertised government decrees and decisions on transport and joint ones with the CPSU Central Committee during the last two five-year plans—not one of which was carried out. As a result, the limitations on investments to strengthen transport's material and technical base ricocheted on the state budget. Calculations show that annual losses are reaching approximately 12-14 billion rubles because industry's requirements for the timely and regular delivery of raw materials, fuel and finished products are not being fully satisfied. This is astonishing! Is the country really so rich that it can reconcile itself to such further losses?

Like it or not but A. Lisitsyn, the director of the All-Union Railroad Transport Scientific Research Institute, is a thousand-fold correct when he states that one cannot stress only technical solutions. What is the sense of the splendid high-speed travel scientific project if there are no capital investments for its realization? The

introduction of any innovation requires definite expenditures. The main thing is not to make a mistake in the forecast: What the material effect will be as a result!

However, it is even more important now not to be mistaken now in predicting how the situation in the country's economy will develop. Production still continues to fall and economists do not expect any positive changes for at least a year or two. Consequently, the railroads' profit, on which any transport technical development program can only rely now, will not grow; rather, it will be the reverse. The ignoring of this situation and the problematical nature of state investments would be similar to one trying to build a castle on sand.

One can hope for carrying capacity reserves and an increase in shipping quality—even knowing that fewer assets than during any of the postwar five-year plans will be allocated until 1995! However, it is necessary to have a concrete plan to compensate for the insufficient resources. It is difficult even for the biggest optimists to seriously count on intensifying the work of the railroads what with political instability and the painful pre-market imbalance in the economy.

Professor V. Kudravtsev, Leningrad Railroad Transport Engineers Institute department chairman, noted: "I doubt that transport will receive the assets, which will help it to survive, as a result of realizing the planned measures to increase train weight, static load, etc. You see, a third of the network is overloaded. A further increase in freight traffic density is impossible. I think that the most important task is—to expand the network! And to strengthen the railroad's independence in every way possible and introduce contract relationships, including those with supplier enterprises. Intensive technologies are required without a doubt. However, there should not be any orders in their realization. Let the railroads themselves decide the specific avenues on which they should work."

The common sense of this statement is indisputable. Nevertheless, there is no answer to the question! At whose expense must one expand the network?

One can recall from the main report that up until now new technologies, hardware components, equipment, and systems worth approximately a billion rubles have been incorporated annually for the branch as a whole. However, since profit was reduced twofold during the first quarter of this year and only several hundreds of millions of profit are being estimated, on what "figs" are we, nevertheless, counting? Even if one were to assume that the branch will receive from some unknown place the assets necessary to realize the scientific and technical programs under tough market relationships, will railroad workers be able to tear themselves away from other branches in pay thanks to priority technologies (as B. Nikiforov, a deputy minister, expressed himself) in order not to lose personnel little by little?

So many questions have been raised in a row that it is time to begin answering them. Let us look at what the session participants said.

**I. Kharlanovich, Scientific-Technical Main Administration chief:**

"A considerable portion of the 34 billion rubles that the government promised us—basically for purchasing rolling stock—will have to be directed toward solving social questions. Eight railroads have refused to allocate resources for scientific research; five have not answered; and nine promised but still have not given a kopeck."

**A. Chernyugov, Transport Main Administration chief engineer:**

"From the point of view of expenditures of technical assets per unit of transport work, increasing the weight of a train is the cheapest way to expand carrying capacity under the conditions of limited capital investments. Generally speaking, serious research for the purpose of re-examining standard solutions concerning consist length, train schedules and a number of other questions is needed. A 'probabilistic' process is unacceptable on transport."

**A. Kaltakhchan, professor and prorector of the Institute to Increase Qualifications:**

"We endure enormous losses every year because we entrust fixed capital to other branches of industry. I have in mind freight cars, which are mercilessly beaten up during loading and unloading operations. There is only one way to avoid this expenditure of technology: create a single technological center which could take into its hands the issuance of machinery for loading and unloading operations and the concern for modernizing the railcar park."

**I. Tregubov, Moscow Railroad Transport Engineers Institute senior scientific associate:**

"Modernization of the existing system for handling railcar and freight traffic at stations and hubs by incorporating intensive technologies involving few operations is required. Its essence is the establishment and introduction of hump-type roboticized lines for the regrouping of railcars."

As we see, the majority of speeches do not contain any direct answers to financial questions. There are sufficient proposals to improve shipping technologies; however, the speakers, as a rule, did not ponder over where to obtain the assets for their realization—and this under conditions where the country's economy is sliding down towards chaotic extremes, which are not yielding to forecasts, under the slogan: "Let us go to a market economy."

The answers to these burning questions are also not found in the session's final documents. Behind the usual conclusions in these cases about the fact that all the branch's practical work should be directed toward the

"Program's" unconditional realization, its financial foundation is not visible. If one were to add the fact that on a country-wide scale it is inadmissible to delay the adoption of laws on scientific and technical problems, the uncertainty of solving the task of broadly incorporating the research and development results, which have been called upon to insure the "Program's" realization and bring the branch to new frontiers of development, would become understandable.

The wise Georgian toast: "Let our desires always coincide with our capabilities!" automatically comes to mind. Its hidden meaning is that requirements should be in accordance with assets. This is even more important when talking about strategies for developing a branch like rail transport.

#### From the scientific-technical council presidium's decree

To concentrate scientific and technical potential and labor and material resources on solving the following top priority tasks:

- rapidly and intensively increasing freight and passenger train average weight and length;
- further raising the average freight car static load;
- increasing train schedule speed and reducing the average freight car recycling time;
- introducing further sweeping cybernetics into the technologies and processes for controlling shipments;
- increasing the level of commercial and entrepreneurial activity, strengthening the branch's financial position.

To sharply improve the quality of transport services for enterprises and the population by expanding services, container shipments, etc.

To examine the question of sources and procedures to finance programs, whose realization is needed to insure high rates in scientific and technical progress, during a meeting of the Ministry of Railways economic commission.

To search for opportunities to establish a system for the electronic transmission of data based on space communications systems with the country's budget financing this work within the framework of the conversion.

To consider the implementation of a very rapid transition from pre-design research to the concrete designing of the Leningrad-Moscow high-speed line's lead section as one of the most important tasks in the branch's scientific and technical policy.

To develop a series of economic and mathematical models for evaluating and forecasting transport's development in order to make broad use of modern management methods.

#### Deputy Minister Reports on Railway Safety Performance

914H0148A Moscow GUDOK in Russian 10 Apr 91 p 2

[Article by N. Belogurov, USSR deputy minister of Railways, chief of the Traffic Safety Main Administration: "The Price of Irresponsibility"]

[Text] The favorable trend that has been noted in the sphere of traffic safety was broken off last year. The number of wrecks and accidents increased. The violations of train traffic safety committed on the roads led to the death of 19 and injury of 108 passengers. It was these extreme circumstances that dictated the recent issuing, by the Ministry of Railways, of Order No 10Ts, "On Measures To Increase Traffic Safety in Railroad Transport".

What must be done to have the new order score a "perfect 10," that is, make it possible to introduce order effectively in accident prevention? I think that this work must above all start from the psychology of the railroad workers.

Can there really be any external reasons to explain, for example, the scandalous case of sloppiness that led to the wreck at the Yelnikovo Station of the Belgorod Division of the Southern Road, about which GUDOK has already written. Firsov, the STsB [signaling, centralization and blocking] electrician, it appeared, against all common sense, installed a "krokodil"-jumper in the relay box. This created false availability of the switch section, which made it possible for the switch to shift underneath a freight train. Everyone well knows how this ended. The investigation showed that other workers, including the directors of the station, division and road, proved to be part of the chain of persons involved in the catastrophe.

It must be said that the disease of "krokodilism," based on the famous idea, "maybe it will get by," "it got by today—it will get by tomorrow," is very infectious. In principle, the methods of treating it are well known: these are regular preventive maintenance, educational work, monitoring and painstaking daily work on accident prevention.

Considerable structural and economic changes have taken place and are continuing to take place in transport, and the railroads and divisions have been granted independence in economic activity and in solving financial problems. Transport is looking toward the market, although slowly. As checks made have shown, however, under these conditions, advanced forms of collective responsibility for ensuring accident-free operation and economic methods of traffic safety management have for some reason been consigned to oblivion. Material stimuli are very slackly used, advanced experience is disseminated very poorly, and not enough attention is paid to introducing and using technical devices that prevent accidents and wrecks. Commerce seems to have become the adversary of safety.

It is quite obvious that the situation that has formed demands decisive actions, the use of new forms and methods of transport management and a judicious combination of centralized management and increased independence for the railroads and subways.

It is very important right now to elevate the importance of PTE [Rules of Technical Operation], and achieve strict adherence to the rules by all railroad workers. This would appear to be a truism. We are most often defeated, however, because of failure to adhere to elementary requirements. Wishing alone will not solve this problem. There is a whole set of measures which must be persistently carried out.

Working with people and instilling in them personal responsibility for the job entrusted to them and for strict fulfillment of the PTE requirements should head the measures stipulated in Order No 10Ts. Every railroad worker involved in train traffic should know and constantly remember the fatal consequences of even the slightest deviations from the established rules of organizing the transport procedure. Knowledge should be combined with efficient monitoring and, of course, personal responsibility. If a violation or defect in work is revealed, economic levers should come into force: you have done something wrong—you answer with the ruble for the material damage that has been incurred. On the contrary, if you work without accidents—you get a reward.

Unfortunately, today we most often hear the names of those who have permitted a wreck, accident or defects in work. We rarely take notice, however, of the railroad workers who are conscientious and have worked for many years without accidents. It is really high time to give them preference when distributing housing, garden plots, travel permits for sanatoriums, passenger vehicles and various goods in great demand. Attention paid to conscientious people and their needs will be repaid a hundred-fold.

The order devotes a special place to improving personnel qualifications. The sectorial administrations of the MPS [Ministry of Railways], with the aid of scientific-research institutes and accumulated experience, must draw up, in the very near future, programs of setting up and introducing, in 1991-1995, modern simulator-training aids based on personal computers, simulating the actual situation and conditions of work. These devices are particularly designed to help locomotive brigades, dispatchers and station duty attendants, classifying hump operators and communications electricians to acquire vocational skills. Issuing the necessary technical, reference and educational literature, posters, manuals, mock-ups and other training devices is specified.

Along with this, the order specifies a program for priority introduction, in 1991-1995, of technical devices increasing traffic safety. To be developed and introduced first of all are: systems precluding going through stop signals; instruments controlling the tightness of the brake

line of a freight train; an automated system for comprehensive monitoring of the technical condition of rolling stock; diagnostic devices and means of nondestructive monitoring of the state of the track, with solid-state readout of information and its processing on a computer; devices for automation and signaling at highway crossings, eliminating collisions between trains and motor vehicles; devices for reliably securing cars against spontaneous drifting; devices for reliable, high-quality communications.

Transport scientists play a large role in this direction, too. The order orients them toward the development of modern electronically controlled brakes, ultrasonic hot box sensors with acoustic signaling and devices to monitor the availability and barriers of the roadway at crossings. It is particularly important to develop systems of reliable radio communications between the engineer and the dispatcher and the brigade leader of a passenger train, devices to monitor the alertness and fitness for work of locomotive brigades, and diagnostic systems contributing to finding faulty rolling stock equipment. Practical experience persistently requires very rapid introduction of automated control systems for hazardous materials transport and other systems and devices based on world experience and the newest achievements of science and technology.

All this, however, as they say, is the tomorrow of transport, and traffic safety in many ways depends on the state of the technical devices and level of their maintenance today. There are many problems here, but their solution on the whole depends on our internal potentials. It is not by chance that the ministry's order specified inspecting, in 1991, the technical devices, particularly the tracks, switch assemblies, rolling stock and signaling devices, in order to eliminate the defects found.

This, of course, requires funds and material resources, and they are obviously lacking. What is the way out? Fuller realization of the potential of reusing materials and parts, organizing their reconditioning and reinforcing, and also manufacturing new ones on the basis of the existing shops, plants and enterprises. Great reserves will undoubtedly be opened up by widely drawing in efficiency experts and inventors, using new forms of economic activity and the market potentials themselves, which have so far failed to become the allies of safety.

The effectiveness of the order with respect to organizing fulfillment of the train traffic schedule, particularly for passenger trains, plays a major role. A set of measures is specified that is aimed primarily at eliminating the causes of defects in train and shunting operations and at strictly adhering to the established time of continuous work for locomotive brigades.

When the order was being drawn up, many directors and specialists from the sites expressed the desire to be relieved of excessive regimentation and stereotypes, which shackle initiative and contribute to the inculcation of formalism. The order gives this independence in



choosing the forms and methods of carrying out preventive maintenance and training work. Norms established from above are reduced to a minimum and scope is opened up for independent thinking, initiative, creativity and active, purposeful actions. At the same time, Order No 10Ts repealed a number of normative acts that had lost force, introduced certain changes in the classification of traffic safety violations and approved new directives for their investigation.

The only criterion for choosing the forms of this work is—getting results. The order delineated more precisely the functions of the central staff of the MPS and roads in ensuring traffic safety.

At the same time, it specified that the public be widely drawn into achieving accident-free operation, as well as utmost support of the "USSR Railroad Safety Fund" Association, which is helping to mobilize additional forces and funds and to develop the creative initiative of transport workers.

It is impossible to achieve the precise, coordinated, efficient work of the gigantic transport conveyer without firm, conscious discipline and execution. Surely the price—the life and health of the people—is not too high.

#### **Deputy Minister Interviewed on Railway Material-Technical Supply Shortcomings**

914H0152A Moscow GUDOK in Russian 12 Apr 91 p 2

[Interview with G.M. Korenko, deputy minister of Railways, chief of the Material and Technical Supply Main Administration, by N. Davydov, GUDOK correspondent: "Who Is Bringing the Roads to Their Knees"]

[Text] It would seem that no one denies the fact that railroad transport is a key sector of the national economy, and disruptions in its work have a ruinous effect on the country's economy. Nevertheless, throughout the last few years it has not been paid the proper attention, and supplies of locomotives, railcars and other machinery and mechanisms have been limited. Under these conditions, the need is growing to expand the repair of worn-out rolling stock, tracks and technical devices. The need for materials and spare parts, however, has not been fully satisfied, which has led to considerable wear on the fixed capital of transport. The shortage of material-technical resources has been particularly intensified recently—under the conditions of the transition of the country's economy to market relations.

Since many of our readers touch on this problem in their letters, we appealed to G.M. Korenko, deputy minister of Railways, chief of the Material and Technical Supply Main Administration, with a request for the answer to a number of the most frequently encountered questions.

[Davydov] Gennadiy Martynovich, are material-technical resources for transport enterprises still in short supply, and which precise shortages worry you most of all?

[Korenko] Before answering this question, I must emphasize the fact that exchange in kind is now flourishing in all the interrelations between producers of goods and purchasers. Many of our suppliers sometimes present absurd counter demands on shipping certain scarce goods to them, that is, they engage in extortion. Sometimes, on various pretexts, they force us to transfer sums that are twice or triple what their products are worth.

The railroad workers have found themselves in a critical position, since the product of our labor is transport, which we must carry out regardless of the interrelations with the suppliers. Under the conditions of the sharp reduction in purchases through import, some suppliers, for market considerations, have reduced production volume, and in some cases have completely stopped producing important types of raw material and materials.

That is why, despite the priorities given to the MPS [Ministry of Railways] by the directive organs, in the sense of concluding contracts for the supply of products and their priority shipping according to the assigned limits, last year we were short-supplied a number of important resources. These are, in particular, timber for capital and depot repair of freight cars and rolled ferrous metals to recondition rolling stock and modernize platforms. We did not receive a full count of a considerable number of diesel locomotive and railcar batteries, extremely important rolling bearings, diesel locomotive electric traction motors and armatures for them, separate spare parts for rolling stock, industrial rubber and electric insulation items, centrifugal pumps, overhead and cantilever cranes and transformers.

True, the directors of the roads and divisions have not made full use of all the potentials for influencing the supplier in order to conclude contracts and for prompt supply of resources. Unfortunately, many are still trying to solve local problems through the center, by appealing to the MPS.

This year too, the problem of providing timber for railcar fleet repair remains one of the most urgent. The situation is exacerbated by the fact that the enterprises of the USSR Ministry of the Timber Industry concluded contracts to supply only 340,000 cubic meters of timber instead of 400,000, and in the first quarter—95,600 cubic meters, although they shipped less than that—85,000.

The situation is even worse with respect to providing plywood, wood-fiber and wood-chip boards. All of this makes it incredibly difficult to organize railcar repair.

The situation with rolled ferrous metals is no less critical. Although we have managed to maintain last year's level with respect to quantity, there is not enough thin sheet metal, particularly to repair box cars, and manufacture STsB [signaling, centralization and blocking] and communications equipment and consumer goods. We had a very hard time placing orders—and then, by no means

all of them—for the supply of rolled metal. The need for steel roll-formed sections, pipes, paint and varnish materials, cement, benzene, pumps, compressors, some types of high-voltage and electrical engineering equipment and cable items is not being completely satisfied.

As for spare parts, we are worried by the shortage of automatic couplers for 2TE116 and 2M62 diesel locomotives, certain industrial rubber items, and also parts for imported rolling stock. Therefore, I am calling upon the economy to introduce advanced and efficient repair technology on a broader scale, and to put a stop to bad management.

I also want to dwell on two more problems. The first one. USSR Gosplan has reduced, by a factor of 1.6 as compared with last year, the volume of construction-installation work performed by the resources of road trusts and other MPS organizations which are provided with resources according to a centralized procedure (metal, cement, pipes). Construction carried out above this quota, they say, should be provided by enterprises and organizations according to direct contracts based on the economic relations that have formed in accordance with the well-known edicts of the President of the USSR. This, however, is no solution to the problem, since even the centrally assigned quotas are not being satisfied.

Secondly. Beginning this year, a procedure was established in which provision of timber for capital construction, repair and operating needs, consumer goods production and rendering of paid services to the population should be carried out through the councils of ministers of the union republics. All the timber resources produced at the enterprises of Goskomles and the USSR Ministry of Internal Affairs have been turned over to them. Considering what has been said, and taking into account the great shortage of building materials, this year the local planning organs and the directors of the railroads, enterprises and organizations will be charged with the responsibility for solving these problems.

[Davydov] For all that, what has changed, though, since the aforementioned edicts of the President on maintaining economic ties, and does the monopoly of the suppliers still remain, as before?

[Korenko] Both edicts (of 27 September 1990 and 14 December 1990) were aimed at stabilizing economic ties and staving off production disorganization. To a certain extent, they had a positive effect and are somewhat holding back the arbitrariness and unruliness of the suppliers.

Nevertheless, the situation with respect to concluding contracts on the supply of material-technical resources in 1991 can be regarded as extremely unsatisfactory. A considerable number of supplier-enterprises are avoiding concluding contracts, pleading the lack of clarity on problems of providing metal and other types of raw material and completing items, including imported ones. They demand metal, timber, building materials,

equipment, machinery, mechanisms, foodstuffs and currency from us. Many have not fulfilled the requirement of the edict on extending the force of former contracts for the first quarter of this year.

For example, because of the refusal to conclude a contract and the cessation of the supply of insulators by the Orlov Porcelain Plant, the repair of the electrical machinery of diesel locomotives, electric locomotives, and even subway cars was threatened with breakdown. The situation is also exacerbated by the fact that since the beginning of the year we have not been supplied with a single ton of electric insulating lacquers by the Yaroslavl, Cherkessk and Riga Paint and Varnish plants. There is a threat of serious consequences from the lack of contracts with the Nelidovo Plastmass Plant and the Moscow Petroleum Refinery for the supply of sheet polyethylene needed to make insulating rail joints. An alarming situation is forming with respect to production of spare parts, wheel pair boxes and the casings of engine linings for diesel locomotives.

The problem of providing diesel locomotives, electric locomotives and railcars with storage batteries and trolley, installation and uninsulated wires is extremely acute. So far there has not been complete success in concluding contracts for all these items. The enterprises of the Ministry of the Electrical Equipment Industry and Instrument Making have sharply cut back the production of cable items due to a lack of copper, as a result of which their output has virtually ceased. Only 2,000 km of installation wire were shipped in the first quarter, instead of 10,500 km. The output of storage batteries has been disrupted because of a lack of lead, sheet metal and other items.

The supplier monopoly is felt particularly with respect to types of products which no one makes anymore. For example, the Mayli-Say Electric Bulb Plant, the only manufacturer of 300-watt bulbs, has informed us that they are being taken out of production. The Syzran Plant categorically refuses to conclude a contract for the supply of polyvinyl chloride pipes, which are extremely necessary to build and repair the sewage systems for housing and municipal services.

I think that it is intolerable for the suppliers to have this attitude toward railroad transport. The underevaluation of its role, and the disruptions in supply are fraught with serious consequences for the national economy.

[Davydov] Gennadiy Martynovich, does regional and republic monopoly exist and how does it affect transport supply?

[Korenko] Unfortunately, it does exist and it does great damage. In the process of limiting the supplies of products to other regions of the country, recently, not only the republics but also many krays, oblasts and rayons have recently found themselves drawn in. I will give you specific examples. For this reason alone, the problems of supplying railroad transport with rolled ferrous metals from the metallurgical combines of the Ukraine are not

being fully solved. Even after the meeting and agreement with the management of the republic Gossnab, things were still at a complete standstill.

For many years the railroads and railcar repair plants of the MPS have been obtaining lumber from the timber procurers of Irkutsk Oblast to repair railcars. This year, the Union government has made provision for a supply of about 250,000 cubic meters of materials from these enterprises to build and repair railcars. According to information recently received from representatives of the Kuybyshev, Donetsk, Dnepr and Lvov railroads, and from the Stry and Baranul Railcar Repair Plants, who met with the directors of Irkutsklessnabsbyt and Irkutsklesprom, no orders have been issued and no contracts concluded or timber shipped for this year's quotas. The Irkutsk Oblispolkom mainly saw to ensuring the supply of timber for the territorial order for the needs of the oblast and according to the contractual obligations of the oblast and other regions. As a result, because of the lack of timber, depot and capital repair of freight cars for 18 railroads and 10 railcar repair plants has virtually ceased.

Pleading the priority fulfillment of territorial orders and inter-regional contracts (in the interests of their own regions!), Chita, Sverdlovsk, Tomsk, Kemerovo, Tyumen, Arkhangelsk, Vologda and Amur oblasts, Komi ASSR and Buryat ASSR are also refusing to supply timber.

Here is another example. Up to last year, railroad transport obtained over half a million scarce LB-36 and -40 fluorescent lamps from the Poltava Plant. Since January of this year, Ukrelektro at the republic Gossnab has been dealing with the distribution of these lamps, and has allotted only 215,000 of them for the railroad workers, or 2.4-fold less than needed.

[Davydov] Tell us, please, about the first steps of the Soyuzzheldorsnab enterprise for material-technical supply of railroad transport. Is it living up to the functions entrusted to it? How is it interacting with the railroads?

[Korenko] Soyuzzheldorsnab has been entrusted with the tasks of supplying the necessary material-technical resources for railroad transport enterprises, organizing the supply of products, both those allotted centrally and those not distributed centrally, forming efficient economic relations with the supplier enterprises and organizations, ascertaining the needs of railroad transport for material-technical resources and placing orders for their supply. Soyuzzheldorsnab will fulfill its functions on the basis of contracts concluded for the supply of products with the supplier enterprises and wholesale-intermediary and commercial organizations, as well as with railroads, plants and other transport consumers.

Organizational work is now being carried out to set up Soyuzzheldorsnab. In conjunction with department directors and other transport organizations, it is examining the problems of supplying them with the necessary

resources on a contractual basis. It will be more accurate to speak of whether this enterprise is or is not living up to the functions entrusted to it later on, when it has accumulated a certain amount of work experience.

[Davydov] How are the contractual prices established by the suppliers affecting the MPS budget?

[Korenko] The price question is very painful for railroad transport. The suppliers are raising them uncontrollably. For example, the prices for spare parts for rolling stock have now increased 2-6-fold. The warm clothing needed by railroad workers who spend 12 hours a day in the freezing cold has become 7-10-fold more expensive. According to rough estimates, expenditures related to the rise in prices just for special work clothing and footwear, uniforms for workers involved in train traffic, and also for bedding for passenger cars, will increase by over 350 million rubles[R].

This means that the financial position of railroad transport at the stage of transition to the market is very tense. The present level of raising tariffs does not compensate for all the sector's expenditures to expand reproduction. The need for additional appropriations is R5.8 billion. So far, though, no sources have been found to cover this deficit.

[Davydov] What are the perspectives for fulfilling requisitions for the State order?

[Korenko] With all the complexities and difficulties in the work of industry and the existing cases of refusal to conclude contracts for the supply of goods, the overwhelming majority of suppliers have a more responsible attitude toward fulfilling orders for the State. Nevertheless, there are valid dangers in the attitude of the suppliers of timber, rolled ferrous metals, motor vehicle transport, some types of steel pipes and cable products.

[Davydov] What can be said about the development of direct horizontal relations between the roads and the suppliers? Is there any effect, and precisely where does it lie?

[Korenko] The ministry is supporting the development of direct horizontal relations between the railroads and the suppliers. Each road, plant or any other economic subdivision is permitted to go straight to the supplier plants. Nevertheless, the overwhelming majority of the consumers feel that is more expedient to use the Zheldorsnab services.

If you have no more questions, I should like to say the following in conclusion.

The extremely unsatisfactory situation that has formed with respect to the supply of the necessary material-technical resources requires the adoption of major measures. Considering the fact that the work of railroad transport has a direct influence on the vital activity of the country, the MPS feels that it is necessary to issue a special Edict of the President "On the Material-Technical Supply of Railroad Transport". It should

specify granting us priority to conclude contracts for the supply of material-technical resources, regardless of the procedure for their distribution, and should regard our orders as supplies for the State.

At the same time, The Federation Council must solve the problem of the inadmissibility of extending to railroad transport the restrictions introduced by the republics, Krai and oblasts on shipping products to other regions. Material resources should be allotted to railroad transport and be supplied without hindrance.

### **Railway Parts Plant Fate Uncertain**

*914H0148B Moscow GUDOK in Russian 10 Apr 91 p 1*

[Article by S. Zhuzhgin, GUDOK correspondent: "The 'Signal Light' Shows Yellow"]

[Text] The Dnepropetrovsk Svetoфор Plant is the only enterprise in the Union that produces so much of the equipment needed by the railroads. It is a small collective, numbering 870 persons, and produces about 400 types and versions of items of the signal light group. They are assembled from standard units. Almost 150 suppliers from all the union republics send completing parts here.

The capacitors come from Yerevan and the wires from the Baltic area, Novokuznetsk provides the steel, the coal for the furnaces is from the Donbass, and the castings—from Gomel and Melitopol.

The enterprise, which will soon "hit" ninety years, always had a reputation for reliable, steady work. Year after year the output increased and the quality of the items improved. Recently, however, the signal has been showing "yellow" at the Svetoфор. Only 70 percent of the contracts to supply materials could be concluded, and the 30 percent remaining are traditional partners, but cannot guarantee supplies. The production line has therefore become slightly feverish.

There is no doubt that the weakening of economic relations can do irreparable damage to both the enterprise itself and to the country's entire railroad network. This is very inopportune: the plant workers have only just begun to develop a program of product modernization. For example, last year they planned to increase the output of aluminum castings, gradually supplanting iron castings. In this way, they intended to kill two birds with one stone: to increase the ecological purity of production (after all, the plant is located in a densely populated area) and to provide the railroad STsB workers with signal light units on the world level.

They also have other good plans. For example, let us say, there is active preparation for manufacture of light-reflecting equipment for railroad crossings and the output of the newest automation devices.

The plant cannot slow down the rates of work and stop "for a smoking break" right now. Its products are

awaited abroad as well: in Bulgaria, Mongolia, Czechoslovakia and Cuba. These countries, in addition to items from the signal light group, are eager to buy the touch pedal to count the wheel pairs of consists at classifying humps, which are no longer made anywhere in the world. Cuba orders up to 80 automatic crossing gates every year.

As Valeriy Ivanovich Solomka, deputy chief of the plant for quality control, informed us, the collective of the enterprise has its own "hobby-horse" on the consumer goods market as well. About 20 types of useful items go to the stores from here—luggage racks for motor vehicles, cables, and plastic items. This year it planned to produce 760,000 rubles worth of these items. The realities of life, however, are such that the suppliers now sometimes fail to live up to the letter of the contract. Some of them also reject monetary payment, preferring payment in kind. And so Svetoфор has to assume the role of a "money-changer", offering automatic crossing gates and other items in exchange for timber, metal, equipment and scarce products.

The plant workers are waiting for changes. Their hope lies in a new Union contract, which can guarantee the stability and inviolability of economic ties. This was the topic of conversation in the lens-set assembly shop, where Zinaida Ilinichna Miroshnichenko is the brigade leader.

### **Railway Computer Applications Cited**

*914H0146A Moscow ZHELEZNODOROZHNY  
TRANSPORT in Russian No 12, Dec 90 pp 15-16*

[Unattributed article: "Extensive Introduction of Computer Equipment"]

[Text] An important direction for intensification of the shipping process on the railroad is computerization of the processes of planning and management of operations work. In recent years there have been radical changes in technical support related to the changeover to the third generation of computers and further development of the functions of the ASU [automated control system], improvement of the structure, organization, and technology of the work of the railroad computer center, the introduction of qualitatively new automated systems, the creation of a network of interactive computers throughout the entire region, and the unification of all the railroad computer capacities.

A prerequisite for the qualitatively new stage was the development of a new concept of the ASUZhT [Automated control system for rail transportation] in keeping with the capabilities of the third generation of computer equipment. In three years the volume of work of the computer center increased more than 10-fold and all the quantitative and qualitative indicators increased six- to eight-fold, while the average prescribed number of workers increased only 3.9-fold, mainly because of connecting railroad and division data processing centers to the computer center.

The leading ASU's in the comprehensive system for railroad management were those working in real time, including the automated system for operational control of shipments (ASOUP), the automated system for control of switchyards (ASUSS), and those of the commodity offices and container stations. The creation and introduction of these systems made it possible to provide for a unified functional structure and approach to organizing the information base, software, and the complex of hardware. A unified data bank was created for the railroad and it is constantly being improved. This all-encompassing system for control of cargo shipments based on the ASOUP and the ASUSS covers everyone from the person in charge at the station and the train dispatcher to the leaders of the divisions and the railroad as a whole.

The operational planning of the train and cargo work of the railroad for the day, the adjustment of the plan, and the determination of the train's position on the computer have made it possible to solve important problems related to improving the railroad information and planning system on the basis of points for concentration of information, which were first organized on the Sverdlovsk Railroad. It also provides for a well-arranged technology for gathering, coding, transmitting, and processing data from the line enterprises, divisions, and the railroad administration. The efforts of operational managers of the shipping process in the divisions and in the railroad—from the gathering and processing of information to the organization of the fulfillment of the plans and, directly, to the control of the shipping process—have been fully enlisted.

This has made it possible to go on to further improve operational planning and solve a number of other problems related to control of the shipping process, including the development of plan-assignments for all the main indicators for each division of the railroad, plans-schedules giving the train position for each group of railroad dispatchers, plans for the various kinds of shipments, and excerpts from the plan for the dispatching department. Calculations have shown that the use of computers for solving these problems, in conjunction with other measures, has provided for increasing shipping work by no less than five percent and increasing the annual economic effectiveness by about 90,000 rubles [R].

During the course of carrying out this major part of the work, we have developed and introduced automated systems for prognosis and control of shipping resources for 80 of the largest cargo stations of the railroad, monthly planning of shipments, analysis of the completed schedule for movement of cargo, passenger, and suburban trains, planning of the dispatch and receipt of containers, the introduction of operational accounting for the train and cargo work of the railroad, numerical accounting for idle time of railroad cars on a number of the sidings of large enterprises, comprehensive development of the route of the engineer, and other problems.

During the course of the development and stage-by-stage introduction of the second section of the ASU, primary efforts were directed toward current planning and regulation of train work on the railroad testing ground (ASU "Railroad dispatcher"), further improvement of automated development of the route of the engineer, automation of the work of the commodity accounting offices, calculations for the routing plan, analysis of the preservation of the condition of the shipped cargoes, automation of planning of material and technical supply, the creation of ASU's at the largest switchyards (ASUSS), and computerization of a number of other elements of the shipping process.

The development of the complex of problems entitled "Railroad dispatcher," carried out on the Southern Ural and Sverdlovsk railways in conjunction with the All-Union Scientific Research Institute of Rail Transportation was the result of the experience in solving individual problems, which created the necessary preconditions for raising the current planning of train work to a qualitatively new level. The "Railroad dispatcher" system envisioned compiling, by a given time of day, a model of the changes in the train position in order to obtain a prediction of the movement of the trains and reserve locomotives on the railroad test area, to reveal possible difficulties in the movement of the trains, and also to develop recommendations for conducting regulatory measures and smoothing out the difficulties that were noted.

But the technical capabilities of the second generation of computers did not make it possible to put the system to work completely or to provide for its normal functioning. It became the main functional subsystem of the automated system for control of operations work of the railroad (ASUDO). The ASUSS complex was developed by the Planning-Design Technological Bureau for the ASUZhT and six railroads. Sverdlovsk workers were among the first in the network to introduce this system at the Perm-Sortirovochnaya Station. On this basis, they were also first in the network, in conjunction with the UO [expansion not identified] of the All-Union Scientific Research Institute of Rail Transportation and the Planning-Design Technological Bureau of the ASUZhT, to introduce an automated system for control of traffic routes using a complex of SM-1800 microcomputers.

At the present time the automated control system is in operation at the Sverdlovsk-Sortirovochnyy, Smychka, Kamensk-Uralskiy, Voynovka, and Bogdanovich stations. Its functioning at the six largest switchyards of the railroad significantly changed the technology of the technical offices, the gravity yards, and the entire switching complex and made it possible to increase labor productivity and develop the standards of the work.

The railroad operations complex includes more than 150 tasks that have significantly improved the information for the operations-distribution apparatus and have provided for the issuance of all the necessary communications to the upper level of the administration through the Main Computer Center of the Ministry of Railways. The

most important of them are the automated system for operational control of shipments (ASOUP), shift-day planning of the work of the railroad and the divisions, the dialogue-information system for control of operations work (Diskor), the automated systems for control at the six switchyards, comprehensive development of the route of the engineer, analysis of the use of locomotives and the schedule for movement of trains, the prediction of loading resources, the development of the train positions on the railroad and for the various groups of railroad dispatchers, automation of the work of the central commercial accounting offices, calculations of the monthly plan and the routing plan, and the system for reserving space right on the ticket.

The creation of an automated system for operational control of the shipping process on the railroad made it possible to reveal and utilize significant reserves for increasing the handling capacities of the stations and the shipping capacities of the lines, improving the use of the rolling stock, and more fully satisfying the needs of the national economy for shipments. The Sverdlovsk Railroad has now automated such important operations as the issuance of technological documents for the trains for workers of stations, divisions, and the administration of the railroad, including description sheets for all stations not equipped with the ASUSS, and also appendices to the schedule for the train dispatcher and others (a total of 25 different documents), the compilation of the train model of the railroad with the issuance of the train position, accounting for the movement of trains, cars, and containers through junctions of the railroads and divisions, and the development of all accounting forms within the time set by the regulations. There is monitoring of the observance of the plan for the formation, weight norms, and the length of trains in cargo traffic, prediction of the arrival of cargo at the station of destination and at the location of the recipient, tracking of specialized rolling stock, operational control of the location and condition of locomotives, and support for the function of the ADTsU [expansion not identified] of the Ministry of Railways and the ASUSS of its own railroad (the Perm-Sortirovochnaya, Voynovka, Sverdlovsk-Sortirovochnyy, Smychka, Kamensk-Uralskiy, Bogdanovich and the commercial offices of the Druzhinino and Shartash stations).

The reliability of the information transmitted is 95.5 percent and, taking into account the adjustments the system demands immediately—98.4 percent. Before the startup of the ASOUP, this level did not exceed 65-72 percent. Moreover, there was a considerable reduction of the delay of trains because of their not being received at junction points and technical stations of the railroad, the number of violations of the plan for forming trains decreased, as did the number of cases of dispatching trains that were not fully loaded. Labor expenditures were reduced in the technical offices of stations for forming trains (filling out the description sheet, preparing the information sheet for the engineer, excerpting information from DU-1 forms for the way stations,

marking telegram-description sheets, preparing information for the technical service points, the accumulation log and the shunting record at the stations of destination, the selection and recording of information on the composition of the trains for the dispatcher apparatus, the search for individual trains and cars, and so forth).

Because of automation it became a reality to create an intercommunicating network of computer systems that include the ASOUP's of the Sverdlovsk, Gorkiy, Southern Ural, and Western Siberian Railroads, the Main Computer Center of the Ministry of Railways, the ASUSS's of the Perm-Sortirovochnaya, Sverdlovsk-Sortirovochnyy, Smychka, Kamensk-Uralskiy, and Voynovka stations, which provided the managers and operations-dispatch personnel of the railroads with information about trains and cars with practically unlimited depth from the entire test ground of the Ural-Siberian region of the network.

The annual economic effectiveness from the introduction of computer equipment is several million rubles. In the process of further development of the automated system it is intended to create an automated dispatcher center for railroad control, equipping the work places of the main mass vocations participating in the shipment process with automated work stations, including personal computers, and improving the ASOUP, taking into account the new capabilities provided for the system by the automated work stations. This will make it possible to radically change the conditions, character, and technology of control of the shipment process and increase the effectiveness of the operational activity of the railroad.

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### **Railway Control, Communications Improvements Noted**

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[Unattributed article: "Increasing the Reliability of Devices for Electric Power Supply, Automation, Telemechanics, and Communications"]

[Text] Because of the increased cargo load and weight of the trains in the main areas of the railroad, there has arisen a critical need to increase the reliability of the complex for electric power supply and to eliminate "bottlenecks." In order to strengthen the power supply devices, eight additional railway substations were constructed, and at the existing substations step-down transformers have been replaced with more powerful ones. Second step-down transformers and third converter units have been installed at 67 substations. They have also installed 76 additional sectioning posts and parallel connection points. Worn-out overhead contact wires have been replaced on sections with an overall distance of 2,460 kilometers.

In order to increase the reliability of the electric power supply and mechanize and automate production processes, more than 350 old-fashioned rapid acting 3.3 kilovolt switches have been replaced with more reliable ones. Remote control has been introduced for the electric power supply on sections with a distance of 690 kilometers. More than 90 sets of contactless automatic feeder equipment and 10 instruments for remote monitoring of the heating of wires and connections have been introduced. More than 2,400 conventional kilometers of booster wires and 917 conventional kilometers of feeders have been introduced. More than 450 kilometers of carrier cable have been replaced.

Specialists have made a large contribution to increasing the reliability of the electric power supply. For prompt disclosure and diagnosis of the corrosive condition of the reinforced concrete supports, workers of the overhead contact network use a special instrument developed in conjunction with the UO [not further identified] of the VNIIZhT [All-Union Scientific Research Institute of Rail Transportation]. It makes it possible to obtain the necessary information without digging up the foundation pits or changing the heat resistance of the thyristors. A device developed by innovators for simultaneously lifting the overhead contact wires, with which about 90 percent of the trolley frogs were equipped, proved to be highly effective and made it possible to sharply reduce the number of failures of the current collectors.

The small SI-4 section insulator developed by railroad specialists has become widespread. At the present time these insulators are used in all the sectioning of the overhead contact network. A method of joining lines of the overhead contact network and the feeder lines without reinforcement has been introduced successfully. It is based on thermite welding of the conductors and also the use of explosion energy.

A new device for protecting the overhead contact network from short-circuit currents using contactless short-circuiting devices of the BK-3 type has been developed and is being applied successfully. Their application makes it possible to significantly reduce the number of "dead" zones on the railroad overhead contact network. The use of a new protection for communications lines and remote control equipment for dangerous overloading, developed by specialists of the UO VNIIZhT and the railroad, has considerably increased the reliability of the remote control devices.

A new electronic algorithmic preventive protection of rectifier-inverter transformers has been used for the first time at the Koyva and Vsesvyatskaya railway substations. On the Tyumen-Bogdanovich section they have introduced an electronic system for decentralized regulation of voltage in the overhead contact network, which provides for handling trains with increased weight without additional reinforcement of the electric power supply devices.

The railroad has assimilated a system for warning about ice and a technology of applying anti-icing lubricants on the switching equipment of the electric power supply devices and the current collectors of the electric locomotives. The complex of technical means of de-icing the contact line is being improved. A system has been developed for covering the contact network and the anti-blocking lines.

Work has been done for the application of new and also the development and improvement of existing technical means, mechanization of production processes, and the development and application of intensive technologies. Raising the level of qualifications of the workers and improving technological discipline have made it possible to increase the reliability of the electric power supply and reduce the interruptions in the movement of trains caused by this.

The provision of all the necessary devices and the stable operation of the automation, remote control, and communications equipment exert a direct influence on the regulation of the movement of the trains, the control of the shipping process, the use of the handling capacities, and the effectiveness of the operational activity of the railroad. The systems for automatic blocking, electrical and centralized train control of switches and signals, and equipment for radio, telephone, and telegraph communications are the main means of control of operational work on the railroad and the basis for all technology for the shipping process and the organization of the work of all the subdivisions.

But their trouble-free operation is impeded by the increased number of sections subject to being coated with salt and frequent disturbances of the work of the track circuit. This also motivated the creative search by specialists in signalization to increase the reliability of the complex for automation, remote control, and communications. The railroad has done extensive work to further increase the capacities of the technical equipment for organizing the movement of the trains. Electrical centralization of switches and signals has been provided at more than 100 stations; the number of centralized switches has increased by almost 2,500 and they now comprise about 90 percent of all the turnouts installed at the points for receiving and dispatching trains.

Almost 1,100 kilometers have been equipped with automatic blocking and about 1,500—with centralized train control. As a result of the construction of cable communications lines and the installation of consolidation equipment, telephone communications have increased by 333,000 channel-kilometers and telegraph lines by about 294,000 channel-kilometers. New cable lines alone cover 4,600 kilometers. More than 6,000 kilometers of bimetallic lines have been hung above ground.

A large amount of work has been done to organize automatic communications channels. An automatic switching center which accommodates 300 channels has



been constructed in the railroad administration and a new multicity station for 80 channels has been put into operation. This made it possible to connect the automatic equipment to Moscow and the semiautomatic equipment to 10 railroads of the network.

On the Bazhenovo-Tyumen section a radio relay communications line has been constructed with 24 channels and a distance of about 300 kilometers, and on the Reshety-Aramil and Ult-Yagun-Noyabrskaya-Syvdarma sections there are train radio communications over a distance of more than 560 kilometers. Train radio communications have been reinforced and updated on the sections of Cheptsa-Sverdlovsk-Nazyvayevskaya, Sverdlovsk-Kolchedan, Perm-Ulegorskaya, Sverdlovsk-Druzhino, Mikhaylovskiy zavod-Kyn, Bazhenovo-Asbest, Sverdlovsk-Polevskoye, Sverdlovsk-Yegorshino, Alapayevsk-Bogdanovich, Tyumen-Tobolsk, Sverdlovsk-Nizhniy Tagil-Kachkanar, and Goroblagodatskaya-Vyya-Kavka, with an overall distance of more than 2,900 kilometers. An ultrashort wave channel for train radio communications has been organized on the Cheptsa-Perm-Sverdlovsk-Tyumen-Nazyvayevskaya and Tyumen-Tobolsk sections with a distance of 1,555 kilometers.

Train radio stations on locomotives have been modernized, 88 stations have been re-equipped with maneuverable radio communications, and portable radio sets have been improved and put into operation in all parts of the railroad. Existing fleet communications have been improved and new means of communication constructed. They have installed 100 amplifiers at 23 stations, including Perm-Sortirovochnaya, Osentsy, Sedelnikovo, Boynovka, Ivdel, Verkhnekondinskaya, Alapayevsk, and others.

They have introduced 60 small and medium-sized automatic telephone exchanges, including the Kvanat station for 2,000 numbers in Surgut and the ATS YeSK at the Pyt-Yakh, Kogolymskaya, Ult-Yagun, Noyabrskaya, and Purpe stations. The overall capacity of the automatic telephone exchanges on the railroad has increased by 32,000 numbers. Moreover, the 10-digit step-by-step automatic telephone exchanges have been modernized.

In order to increase the handling capacities of the switching devices and increase the reliability of their operation, shunting humps have been reconstructed with replacement of the retarders at the larger stations of Perm-Sortirovochnaya and Sverdlovsk-Sortirovochnyy, and six sorting humps have been mechanized. Work has been developed for coding side station roads on which it is possible to receive trains. More than 730 tracks have been equipped during the past three years.

Special attention was devoted to increasing the reliability of the work of the track circuits, especially on sections with intensively salinized ballast beds. Thus the odd-numbered direction of the sections of Cheptsa-Perm-Shalya and Berezniki-Kizel have been equipped with additional frequency tone track circuits. They make

it possible for the devices to operate when the ballast resistance is less than 1 ohm per kilometer. Frequency track circuits developed by the GTSS [expansion not identified] with the active participation of specialists from the railroad operate under conditions of "ready reserve" and comprise an additional automatic blocking system.

Continuing the search for more reliable automatic blocking, the UO VNIIZhT in conjunction with the railroad is developing a system for regulating the movement of trains based according to the principle of accounting for axles. For more stable operation of the track circuits 94,000 double rail bonds have been installed. About 2,200 impulse-accepting relays have been replaced with more reliable ones and 1,175 contactless code transmitters have been installed. On sections with an overall distance of more than 1,000 kilometers the automatic blocking has been modernized with the organization of permanent change of direction when one of the tracks is closed for capital repair.

New technical equipment is being introduced extensively. Thus at the Noyabrskaya signalization and communications division a 500-kilometer section has been equipped with automatic blocking with centralized distribution of equipment which is equal to the best foreign models and provides for a significant reduction of operational expenditures because there are no ground devices on the sections between stations. Greater reliability is provided because of the absence of insulating bonds in the track circuits. It is intended to extend this system further, first of all to the Tyumen-Tobolsk-Surgut section which has a heavy cargo load.

A number of divisions of the railroad are operating experimental units which monitor the deviation of parameters of devices for automatic blocking and electrical centralization from the nominal values and transmit information to the illuminated track diagram of the engineer on duty. This makes it possible to reduce the number of failures, to reduce their duration, and to increase the reliability of the operation of the devices.

While at the Noyabrskaya signalization and communications division the diagnostic system developed in conjunction with the UEMIIT verifies the parameters on a cyclical schedule, at the Smychka division there is constant monitoring of the parameters. At the present time they are developing software for monitoring the technical condition of the main elements and instruments signalization, interlocking, and blocking, the cable, and the stress on the track relays. This will make it possible to use computer equipment to automate the monitoring and comparison of parameters.

Routine and labor-intensive operations will be automated with the help of microcomputers. For example, five divisions are using 16 personal computers for automation of control of the replacement of electric switch



engines, the performance of automatic locomotive signalization, the replacement of signalization, interlocking, and blocking equipment at the control and test points, accounting for material values, and so forth.

Changing a number of communications and signalization divisions over to the industrial method of servicing equipment, with the organization of specialized repair and technological bases and the creation of brigades for centralized replacement and repair of removable equipment, and also line-production sections for technical servicing and repair of nonremovable equipment, will contribute to increasing the reliability of the operation of the technical equipment. Centralized operation has been introduced for control of the operational work of the automatic telephone exchange. By now 18 signalization and communications divisions of the railroad have been changed over to the industrial method. The warranty method of servicing signalization, interlocking, and

blocking equipment has become widespread. They have changed 37 brigades over to the collective contract. The Noyabrskaya and Tobolskaya signalization and communications divisions are operating under a leasing contract.

In order to accelerate the creation and introduction of new technical equipment and automation and communications systems, planning-design bureaus have been created. They develop technical documentation for adapting new technical means to local conditions and perform other tasks.

During the three years of their existence expenditures have amounted to 1.3 million rubles [R], and the effect from the introduction of the developments has been R2.8 million, that is R2.15 per R1 of expenditures.

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